

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Environmental Cost Recovery)
Clause)
_____)

Docket No. 020007-EI

Certificate of Service

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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

**ENVIRONMENTAL COST RECOVERY
CLAUSE**

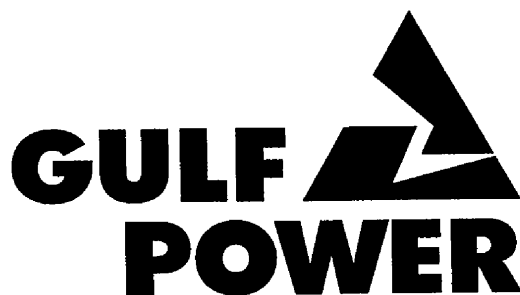
DOCKET NO. 020007-EI

**PREPARED DIRECT TESTIMONY
AND EXHIBIT OF
SUSAN D. RITENOUR**

**PROJECTION FILING
FOR THE PERIOD**

JANUARY 2003 – DECEMBER 2003

SEPTEMBER 9, 2002



A SOUTHERN COMPANY

DOCUMENT NUMBER DATE
09497 SEP-98
FPSC-COMMISSION CLERK

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GULF POWER COMPANY

Before the Florida Public Service Commission
Direct Testimony and Exhibit of
Susan D. Ritenour
Docket No. 020007-EI
Date of Filing: September 9, 2002

Q. Please state your name, business address and occupation.

A. My name is Susan Ritenour. My business address is One Energy Place, Pensacola, Florida 32520-0780. I hold the position of Assistant Secretary and Assistant Treasurer for Gulf Power Company.

Q. Please briefly describe your educational background and business experience.

A. I graduated from Wake Forest University in Winston-Salem, North Carolina in 1981 with a Bachelor of Science Degree in Business and from the University of West Florida in 1982 with a Bachelor of Arts Degree in Accounting. I am also a Certified Public Accountant licensed in the State of Florida. I joined Gulf Power Company in 1983 as a Financial Analyst. Prior to assuming my current position, I have held various positions with Gulf including Computer Modeling Analyst, Senior Financial Analyst, and Supervisor of Rate Services.

My responsibilities include supervision of: tariff administration, cost of service activities, calculation of cost recovery factors, the regulatory filing function of the Rates and Regulatory Matters Department, and various treasury activities.

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1 Q. Have you previously filed testimony before this Commission in
2 connection with Gulf's Environmental Cost Recovery Clause (ECRC)?

3 A. Yes, I have.

4

5 Q. What is the purpose of your testimony?

6 A. The purpose of my testimony is to present both the calculation of the
7 revenue requirements and the development of the environmental cost
8 recovery factors for the period of January 2003 through December 2003.

9

10 Q. Have you prepared an exhibit that contains information to which you will
11 refer in your testimony?

12 A. Yes, I have. My exhibit consists of 7 schedules, each of which were
13 prepared under my direction, supervision, or review.

14 Counsel: We ask that Ms. Ritenour's Exhibit consisting of 7
15 schedules be marked as Exhibit No. _____ (SDR-3).

16

17 Q. What environmental costs is Gulf requesting for recovery through the
18 Environmental Cost Recovery Clause?

19 A. As discussed in the testimony of J. O. Vick, Gulf is requesting recovery
20 for certain environmental compliance operating expenses and capital
21 costs that are consistent with both the decision of the Commission in
22 Docket No. 930613-EI and with past proceedings in this ongoing
23 recovery docket. The costs we have identified for recovery through the
24 ECRC are not currently being recovered through base rates or any other
25 recovery mechanism.

1 Q. How was the amount of projected O & M expenses to be recovered
2 through the ECRC calculated?

3 A. Mr. Vick has provided me with projected recoverable O & M expenses
4 for January 2003 through December 2003. Schedule 2P of my exhibit
5 shows the calculation of the recoverable O & M expenses broken down
6 between the demand-related and energy-related expenses. Also,
7 Schedule 2P provides the appropriate jurisdictional factors and amounts
8 related to these expenses. All O & M expenses associated with
9 compliance with the Clean Air Act Amendments of 1990 were
10 considered to be energy-related, consistent with Commission Order No.
11 PSC-94-0044-FOF-EI. The remaining expenses were broken down
12 between demand and energy consistent with Gulf's last approved cost-
13 of-service methodology in Docket No. 010949-EI.

14
15 Q. Please describe Schedules 3P and 4P of your exhibit.

16 A. Schedule 3P summarizes the monthly recoverable revenue requirements
17 associated with each capital investment for the recovery period.
18 Schedule 4P shows the detailed calculation of the revenue requirements
19 associated with each investment. These schedules also include the
20 calculation of the jurisdictional amount of recoverable revenue
21 requirements. Mr. Vick has provided me with the expenditures,
22 clearings, retirements, salvage, and cost of removal related to each
23 capital project and the monthly costs for emission allowances. From that
24 information, I calculated Plant-in-Service and Construction Work In
25 Progress-Non Interest Bearing (CWIP-NIB). Depreciation and

1 dismantlement expense and the associated accumulated depreciation
2 balances were calculated based on Gulf's approved depreciation rates
3 and dismantlement accruals. The capital projects identified for recovery
4 through the ECRC are those environmental projects which are not
5 included in the approved projected June 2002 through May 2003 test
6 year on which present base rates were set.
7

8 Q. How was the amount of Property Taxes to be recovered through the
9 ECRC derived?

10 A. Property taxes were calculated by applying the applicable tax rate to
11 taxable investment. In Florida, pollution control facilities are taxed based
12 only on their salvage value. For the recoverable environmental
13 investment located in Florida, the amount of property taxes is estimated
14 to be \$0. In Mississippi, there is no such reduction in property taxes for
15 pollution control facilities. Therefore, property taxes related to
16 recoverable environmental investment at Plant Daniel are calculated by
17 applying the applicable millage rate to the assessed value of the
18 property.
19

20 Q. What capital structure and return on equity were used to develop the
21 rate of return used to calculate the revenue requirements?

22 A. The rate of return used is based on Gulf's capital structure as approved
23 in Gulf's last rate case, Docket No. 010949-EI, Order No. PSC-02-0787-
24 FOF-EI, dated June 10, 2002. This rate of return incorporates a return
25 on equity of 12.0 percent.

1 Q. How was the breakdown between demand-related and energy-related
2 investment costs determined?

3 A. The investment-related costs associated with compliance with the Clean
4 Air Act Amendments of 1990 (CAAA) were considered to be energy-
5 related, consistent with Commission Order No. PSC-94-0044-FOF-EI,
6 dated January 12, 1994 in Docket No. 930613-EI. The remaining
7 investment-related costs of environmental compliance not associated
8 with the CAAA were allocated 12/13th based on demand and 1/13th
9 based on energy, consistent with Gulf's last cost-of-service study. The
10 calculation of this breakdown is shown on Schedule 4P and summarized
11 on Schedule 3P.

12

13 Q. What is the total amount of projected recoverable costs related to the
14 period January 2003 through December 2003?

15 A. The total projected jurisdictional recoverable costs for the period January
16 2003 through December 2003 are \$10,863,256 as shown on line 1c of
17 Schedule 1P. This includes costs related to O & M activities of
18 \$2,645,132 and costs related to capital projects of \$8,218,124 as shown
19 on lines 1a and 1b of Schedule 1P.

20

21 Q. What is the total recoverable revenue requirement and how was it
22 allocated to each rate class?

23 A. The total recoverable revenue requirement including revenue taxes is
24 \$10,237,375 for the period January 2003 through December 2003 as
25 shown on line 5 of Schedule 1P. This amount includes the recoverable

1 costs related to the projection period and the total true-up cost of
2 \$633,247 to be refunded. Schedule 1P also summarizes the energy and
3 demand components of the requested revenue requirement. I allocated
4 these amounts to rate class using the appropriate energy and demand
5 allocators as shown on Schedules 6P and 7P.

6

7 Q. How were the allocation factors calculated for use in the Environmental
8 Cost Recovery Clause?

9 A. The demand allocation factors used in the ECRC were calculated using
10 the 2001 load data filed with the Commission in accordance with FPSC
11 Rule 25-6.0437. The energy allocation factors were calculated based on
12 projected KWH sales for the period adjusted for losses. The calculation
13 of the allocation factors for the period is shown in columns 1 through 9
14 on Schedule 6P.

15

16 Q. How were these factors applied to allocate the requested recovery
17 amount properly to the rate classes?

18 A. As I described earlier in my testimony, Schedule 1P summarizes the
19 energy and demand portions of the total requested revenue requirement.
20 The energy-related recoverable revenue requirement of \$7,020,017 for
21 the period January 2003 through December 2003 was allocated using
22 the energy allocator, as shown in column 3 on Schedule 7P. The
23 demand-related recoverable revenue requirement of \$3,217,358 for the
24 period January 2003 through December 2003 was allocated using the
25 demand allocator, as shown in column 4 on Schedule 7P. The energy-

1 related and demand-related recoverable revenue requirements are
2 added together to derive the total amount assigned to each rate class,
3 as shown in column 5.

4

5 Q. What is the monthly amount related to environmental costs recovered
6 through this factor that will be included on a residential customer's bill for
7 1,000 kwh?

8 A. The environmental costs recovered through the clause from the
9 residential customer who uses 1,000 kwh will be \$1.05 monthly for the
10 period January 2003 through December 2003.

11

12 Q. When does Gulf propose to collect its environmental cost recovery
13 charges?

14 A. The factors will be effective beginning with the first Bill Group for January
15 2003 and continuing through the last Bill Group for December 2003.

16

17 Q. Ms. Ritenour, does this conclude your testimony?

18 A. Yes, it does.

19

20

21

22

23

24

25

AFFIDAVIT

STATE OF FLORIDA)
)
COUNTY OF ESCAMBIA)

Docket No. 020007-EI

Before me the undersigned authority, personally appeared Susan D. Ritenour, who being first duly sworn, deposes, and says that she is the Assistant Secretary and Assistant Treasurer of Gulf Power Company, a Maine corporation, that the foregoing is true and correct to the best of her knowledge, information, and belief. She is personally known to me.

Susan D. Ritenour
Susan D. Ritenour
Assistant Secretary and Assistant Treasurer

Sworn to and subscribed before me this 5th day of September
2002.

Linda C. Webb
Notary Public, State of Florida at Large



LINDA C. WEBB
Notary Public-State of FL
Comm. Exp: May 31, 2006
Comm. No: DD 110088

Schedule 1P

Gulf Power Company
 Environmental Cost Recovery Clause (ECRC)
Total Jurisdictional Amount to be Recovered

For the Projected Period
January 2003 - December 2003

<u>Line No.</u>	<u>Energy (\$)</u>	<u>Demand (\$)</u>	<u>Total (\$)</u>
1 Total Jurisdictional Rev. Req. for the projected period			
a Projected O & M Activities (Schedule 2P, Lines 7, 8 & 9)	1,621,611	1,023,521	2,645,132
b Projected Capital Projects (Schedule 3P, Lines 7, 8 & 9)	<u>5,808,209</u>	<u>2,409,915</u>	<u>8,218,124</u>
c Total Jurisdictional Rev. Req. for the projected period (Lines 1a + 1b)	7,429,820	3,433,436	10,863,256
2 True-Up for Estimated Over/(Under) Recovery for the period January 2002 - December 2002 (Schedule 1E, Line 4)	292,869	152,898	445,767
3 Final True-Up for the period January 2001 - December 2001 (Schedule 1A, Line 3)	<u>121,985</u>	<u>65,495</u>	<u>187,480</u>
4 Total Jurisdictional Amount to be Recovered/(Refunded) in the projection period January 2003 - December 2003 (Line 1c - Line 2 - Line 3)	<u>7,014,966</u>	<u>3,215,043</u>	<u>10,230,009</u>
5 Total Projected Jurisdictional Amount Adjusted for Taxes (Line 4 x Revenue Tax Multiplier)	<u>7,020,017</u>	<u>3,217,358</u>	<u>10,237,375</u>

Notes:

Allocation to energy and demand in each period are in proportion to the respective period split of costs indicated on Lines 7 & 8 of Schedules 5E & 7E and 5A & 7A.

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
Calculation of the Projected Period Amount
January 2003 - December 2003

O & M Activities
(in Dollars)

Line	January	February	March	April	May	June	July	August	September	October	November	December	End of Period 12-Month	Method of Classification	
														Demand	Energy
1	Description of O & M Activities														
.1	1,950	2,250	2,400	2,400	2,400	2,400	2,400	2,400	2,400	2,700	2,700	3,600	30,000		30,000
2	0	665,500	0	0	0	0	0	94,317	0	0	0	0	759,817		759,817
3	4,596	4,596	9,269	5,192	7,575	7,692	5,192	5,192	7,692	7,576	4,969	7,269	76,810		76,810
4	1,625	125	125	125	125	125	1,625	125	125	125	125	125	4,500	4,500	
5	29,161	32,120	40,019	34,319	37,358	153,519	49,219	35,719	42,419	39,717	37,478	46,731	577,779		577,779
6	29,619	30,475	30,902	30,902	30,902	33,402	33,402	30,902	30,902	31,758	31,758	34,194	379,118	379,118	
7	32,262	32,262	32,471	32,471	35,378	32,471	32,471	32,471	32,471	35,729	32,495	31,845	394,797	394,797	
8	42,000	0	1,875	0	0	1,875	0	0	1,875	0	0	1,875	49,500	49,500	
9	311	346	3,113	363	363	3,113	1,363	363	3,113	398	398	3,256	16,500	16,500	
10	83	83	83	83	83	83	83	83	83	83	83	87	1,000	1,000	
11	14,104	14,717	15,224	15,224	17,993	15,224	15,224	15,224	15,224	18,607	15,838	17,605	190,208	190,208	
12	0	0	2,500	0	0	2,500	0	0	2,500	0	5,000	12,500	25,000	25,000	
13	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
14	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
15	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
16	4,088	4,088	4,088	4,088	4,088	4,088	4,088	4,088	4,088	4,088	4,088	4,032	49,000	49,000	
17	19,583	19,583	19,583	19,583	19,583	19,583	19,583	19,583	19,583	19,583	19,583	19,583	235,000	235,000	
18	<u>(4,378)</u>	<u>(4,408)</u>	<u>(4,432)</u>	<u>(4,481)</u>	<u>(4,235)</u>	<u>(4,013)</u>	<u>(3,935)</u>	<u>(3,941)</u>	<u>(4,115)</u>	<u>(4,227)</u>	<u>(4,170)</u>	<u>(4,091)</u>	<u>(50,426)</u>		<u>(50,426)</u>
2	175,004	801,737	157,220	140,269	151,613	272,062	160,715	236,526	158,360	156,137	150,345	178,615	2,738,603	1,060,623	1,677,980
3	55,000	723,729	70,927	61,101	66,769	183,269	76,547	157,358	72,067	69,437	64,648	77,128	1,677,980		
4	120,004	78,008	86,293	79,168	84,844	88,793	84,168	79,168	86,293	86,700	85,697	101,487	1,060,623		
5	0.9653118	0.9648027	0.9664913	0.9650414	0.9672250	0.9675573	0.9657652	0.9674366	0.9664330	0.9655726	0.9648561	0.9656763			
6	0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	0.9650187			
7	53,129	698,744	68,598	59,006	64,626	177,447	73,978	152,340	69,697	67,093	62,420	74,533	1,621,611		
8	<u>115,806</u>	<u>75,279</u>	<u>83,274</u>	<u>76,399</u>	<u>81,876</u>	<u>85,687</u>	<u>81,224</u>	<u>76,399</u>	<u>83,274</u>	<u>83,667</u>	<u>82,699</u>	<u>97,937</u>	<u>1,023,521</u>		
9	Total Jurisdictional Recoverable Costs for O & M Activities (Lines 7 + 8)														
	<u>168,935</u>	<u>774,023</u>	<u>151,872</u>	<u>135,405</u>	<u>146,502</u>	<u>263,134</u>	<u>155,202</u>	<u>228,739</u>	<u>152,971</u>	<u>150,760</u>	<u>145,119</u>	<u>172,470</u>	<u>2,645,132</u>		

Notes:

(A) Line 3 x Line 5 x 1.0007 line loss multiplier

(B) Line 4 x Line 6

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
Calculation of the Projected Period Amount
January 2003 - December 2003

Capital Investment Projects - Recoverable Costs
(in Dollars)

Line	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	End of	Method of	
													Period	Demand	Energy
													Total		
1	Description of Investment Projects (A)														
1	1,161	1,157	1,101	1,098	1,096	1,093	1,091	1,088	1,085	1,083	1,080	1,078	13,211	0	13,211
2	241,539	240,650	239,761	238,870	237,980	237,091	236,200	235,310	234,421	233,532	232,641	231,752	2,839,747	0	2,839,747
3	21,240	21,172	21,102	21,033	20,964	20,896	20,825	20,757	20,687	20,618	20,548	20,480	250,322	0	250,322
4	163,400	162,900	162,401	161,900	161,401	160,901	160,402	159,902	160,936	163,502	166,068	168,635	1,952,348	0	1,952,348
5	63,032	64,226	64,328	65,053	66,011	67,306	68,127	67,982	67,837	67,693	67,548	67,403	796,546	0	796,546
6	10,087	10,067	10,048	10,029	10,010	9,990	9,971	9,952	9,932	9,913	9,894	9,875	119,768	110,555	9,213
7	2,905	2,898	2,891	2,885	2,877	2,871	2,863	2,856	2,849	2,842	2,835	2,828	34,400	31,754	2,646
8	8,880	8,848	8,820	8,789	8,761	8,730	8,702	8,670	8,641	8,611	8,581	8,552	104,585	96,540	8,045
9	3,122	3,113	3,104	3,094	3,085	3,076	3,066	3,057	3,048	3,039	3,029	3,020	36,853	34,019	2,834
10	485	483	481	480	478	477	476	474	473	471	469	468	5,715	5,276	439
11	1,039	1,036	1,032	1,030	1,026	1,023	1,020	1,017	1,014	1,011	1,008	1,004	12,600	11,317	943
12	607	605	604	601	600	597	596	594	592	591	588	587	7,162	6,611	551
13	1,197	1,194	1,192	1,189	1,187	1,184	1,180	1,178	1,175	1,173	1,170	1,167	14,186	0	14,186
14	28,018	27,946	27,874	27,802	27,730	27,658	27,585	27,513	27,441	27,369	27,297	27,224	331,457	305,960	25,497
15	1,713	1,708	1,704	1,699	1,695	1,690	1,686	1,681	1,676	1,672	1,667	1,663	20,254	18,696	1,558
16	165,207	164,823	164,440	164,055	163,671	163,287	162,902	162,518	162,135	161,750	161,366	160,981	1,957,135	1,806,586	150,549
17	566	565	564	563	562	561	559	558	557	556	554	553	6,718	6,201	517
18	6,012	5,964	5,919	5,872	5,826	5,779	5,734	5,685	5,640	5,593	5,548	5,500	69,072	63,759	5,313
19	<u>(5,730)</u>	<u>(5,688)</u>	<u>(5,647)</u>	<u>(5,605)</u>	<u>(5,564)</u>	<u>(5,525)</u>	<u>(5,487)</u>	<u>(5,450)</u>	<u>(5,412)</u>	<u>(5,373)</u>	<u>(5,333)</u>	<u>(5,294)</u>	<u>(66,108)</u>	<u>0</u>	<u>(66,108)</u>
2	714,480	713,667	711,719	710,437	709,396	708,685	707,498	705,342	704,727	705,646	706,558	707,476	8,505,631	2,497,274	6,008,357
3	503,426	503,154	501,734	500,992	500,483	500,313	499,658	498,041	497,960	499,414	500,864	502,318	6,008,357		
4	211,054	210,513	209,985	209,445	208,913	208,372	207,840	207,301	206,767	206,232	205,694	205,158	2,497,274		
5	0.9653118	0.9648027	0.9664913	0.9650414	0.9672250	0.9675573	0.9657652	0.9674366	0.9664330	0.9655726	0.9648561	0.9656763			
6	0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	0.9650187			
7	486,303	485,784	485,261	483,816	484,419	484,420	482,890	482,160	481,582	482,558	483,600	485,416	5,808,209		
8	<u>203,671</u>	<u>203,149</u>	<u>202,639</u>	<u>202,118</u>	<u>201,605</u>	<u>201,083</u>	<u>200,569</u>	<u>200,049</u>	<u>199,534</u>	<u>199,018</u>	<u>198,499</u>	<u>197,981</u>	<u>2,409,915</u>		
9	<u>689,974</u>	<u>688,933</u>	<u>687,900</u>	<u>685,934</u>	<u>686,024</u>	<u>685,503</u>	<u>683,459</u>	<u>682,209</u>	<u>681,116</u>	<u>681,576</u>	<u>682,099</u>	<u>683,397</u>	<u>8,218,124</u>		

Notes.

- (A) Each project's Total System Recoverable Expenses on Schedule 4P, Line 9
(B) Line 3 x Line 5 x 1.0007 line loss multiplier
(C) Line 4 x Line 6

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
Calculation of the Projected Period Amount
January 2003 - December 2003

Return on Capital Investments, Depreciation and Taxes
For Project: Air Quality Assurance Testing
P E s 1006 & 1244
(in Dollars)

Line	Description	Beginning													End of
		of Period	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Period
		Amount													Amount
1	Investments														
a	Expenditures/Additions		0	0	0	0	0	0	0	0	0	0	0	0	
b	Clearings to Plant		64,502	0	0	0	0	0	0	0	0	0	0	0	
c	Retirements		0	0	0	0	0	0	0	0	0	0	0	0	
d	Cost of Removal		0	0	0	0	0	0	0	0	0	0	0	0	
e	Salvage		0	0	0	0	0	0	0	0	0	0	0	0	
2	Plant-in-Service/Depreciation Base	262,554	327,056	327,056	327,056	327,056	327,056	327,056	327,056	327,056	327,056	327,056	327,056	327,056	
3	Less: Accumulated Depreciation (B)	(239,115)	(239,448)	(239,781)	(240,060)	(240,339)	(240,618)	(240,897)	(241,176)	(241,455)	(241,734)	(242,013)	(242,292)	(242,571)	
4	CWIP - Non Interest Bearing	64,502	0	0	0	0	0	0	0	0	0	0	0	0	
5	Net Investment (Lines 2 - 3 + 4)	87,941	87,608	87,275	86,996	86,717	86,438	86,159	85,880	85,601	85,322	85,043	84,764	84,485	
6	Average Net Investment		87,775	87,442	87,136	86,857	86,578	86,299	86,020	85,741	85,462	85,183	84,904	84,625	
7	Return on Average Net Investment														
a	Equity Component Grossed Up For Taxes (C)		645	642	640	638	636	634	632	630	628	626	624	622	7,597
b	Debt Component (Line 6 x 2.5042% x 1/12)		183	182	182	181	181	180	180	179	178	178	177	177	2,158
8	Investment Expenses														
a	Depreciation		0	0	0	0	0	0	0	0	0	0	0	0	0
b	Amortization		333	333	279	279	279	279	279	279	279	279	279	279	3,456
c	Dismantlement		0	0	0	0	0	0	0	0	0	0	0	0	0
d	Property Taxes		0	0	0	0	0	0	0	0	0	0	0	0	0
e	Other (D)		0	0	0	0	0	0	0	0	0	0	0	0	0
9	Total System Recoverable Expenses (Lines 7 + 8)		1,161	1,157	1,101	1,098	1,096	1,093	1,091	1,088	1,085	1,083	1,080	1,078	13,211
a	Recoverable Costs Allocated to Energy		1,161	1,157	1,101	1,098	1,096	1,093	1,091	1,088	1,085	1,083	1,080	1,078	13,211
b	Recoverable Costs Allocated to Demand		0	0	0	0	0	0	0	0	0	0	0	0	0
10	Energy Jurisdictional Factor		0.9653118	0.9648027	0.9664913	0.9650414	0.9672250	0.9675573	0.9657652	0.9674366	0.9664330	0.9655726	0.9648561	0.9656763	
11	Demand Jurisdictional Factor		0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	
12	Retail Energy-Related Recoverable Costs (E)		1,122	1,117	1,065	1,060	1,061	1,058	1,054	1,053	1,049	1,046	1,043	1,042	12,770
13	Retail Demand-Related Recoverable Costs (F)		0	0	0	0	0	0	0	0	0	0	0	0	0
14	Total Juris. Recoverable Costs (Lines 12 + 13)		1,122	1,117	1,065	1,060	1,061	1,058	1,054	1,053	1,049	1,046	1,043	1,042	12,770

Notes:

- (A) Description and reason for 'Other' adjustments to net Investment for this project
- (B) Description of Adjustments to Reserve for Gross Salvage and Other Recoveries and Cost of Removal
- (C) Line 6 x 8.8168% x 1/12 Based on ROE of 12% and weighted income tax rate of 38.575%
- (D) Description and reason for 'Other' adjustments to investment expenses for this project
- (E) Line 9a x Line 10 x 1.0007 line loss multiplier
- (F) Line 9b x Line 11

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
Calculation of the Projected Period Amount
January 2003 - December 2003

Return on Capital Investments, Depreciation and Taxes
For Project Crst 5, 6 & 7 Precipitator Projects
P.E.s 1119, 1216, 1243
(in Dollars)

Line	Description	Beginning of Period Amount	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	End of Period Amount
1	Investments														
a	Expenditures/Additions		0	0	0	0	0	0	0	0	0	0	0	0	0
b	Clearings to Plant		0	0	0	0	0	0	0	0	0	0	0	0	0
c	Retirements		0	0	0	0	0	0	0	0	0	0	0	0	0
d	Cost of Removal		0	0	0	0	0	0	0	0	0	0	0	0	0
e	Salvage		0	0	0	0	0	0	0	0	0	0	0	0	0
2	Plant-in-Service/Depreciation Base	24,440,825	24,440,825	24,440,825	24,440,825	24,440,825	24,440,825	24,440,825	24,440,825	24,440,825	24,440,825	24,440,825	24,440,825	24,440,825	24,440,825
3	Less: Accumulated Depreciation (B)	(8,788,768)	(8,883,091)	(8,977,414)	(9,071,738)	(9,166,061)	(9,260,384)	(9,354,708)	(9,449,031)	(9,543,354)	(9,637,677)	(9,732,001)	(9,826,324)	(9,920,648)	
4	CWIP - Non Interest Bearing	0	0	0	0	0	0	0	0	0	0	0	0	0	0
5	Net Investment (Lines 2 - 3 + 4)	15,652,057	15,557,734	15,463,411	15,369,087	15,274,764	15,180,441	15,086,117	14,991,794	14,897,471	14,803,148	14,708,824	14,614,501	14,520,177	
6	Average Net Investment		15,604,896	15,510,573	15,416,249	15,321,926	15,227,603	15,133,279	15,038,956	14,944,633	14,850,310	14,755,986	14,661,663	14,567,339	
7	Return on Average Net Investment														
a	Equity Component Grossed Up For Taxes (C)		114,649	113,956	113,263	112,570	111,877	111,184	110,491	109,798	109,105	108,412	107,719	107,026	1,330,050
b	Debt Component (Line 6 x 2.5042% x 1/12)		32,567	32,371	32,174	31,977	31,780	31,583	31,386	31,189	30,993	30,796	30,599	30,402	377,817
8	Investment Expenses														
a	Depreciation		79,433	79,433	79,433	79,433	79,433	79,433	79,433	79,433	79,433	79,433	79,433	79,433	953,196
b	Amortization		0	0	0	0	0	0	0	0	0	0	0	0	0
c	Dismantlement		14,890	14,890	14,891	14,890	14,890	14,891	14,890	14,890	14,890	14,891	14,890	14,891	178,684
d	Property Taxes		0	0	0	0	0	0	0	0	0	0	0	0	0
e	Other (D)		0	0	0	0	0	0	0	0	0	0	0	0	0
9	Total System Recoverable Expenses (Lines 7 + 8)		241,539	240,650	239,761	238,870	237,980	237,091	236,200	235,310	234,421	233,532	232,641	231,752	2,839,747
a	Recoverable Costs Allocated to Energy		241,539	240,650	239,761	238,870	237,980	237,091	236,200	235,310	234,421	233,532	232,641	231,752	2,839,747
b	Recoverable Costs Allocated to Demand		0	0	0	0	0	0	0	0	0	0	0	0	0
10	Energy Jurisdictional Factor		0.9653118	0.9648027	0.9664913	0.9650414	0.9672250	0.9675573	0.9657652	0.9674366	0.9664330	0.9655726	0.9648561	0.9656763	
11	Demand Jurisdictional Factor		0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	
12	Retail Energy-Related Recoverable Costs (E)		233,324	232,342	231,889	230,681	230,341	229,560	228,273	227,807	226,711	225,650	224,622	223,954	2,745,154
13	Retail Demand-Related Recoverable Costs (F)		0	0	0	0	0	0	0	0	0	0	0	0	0
14	Total Juris Recoverable Costs (Lines 12 + 13)		233,324	232,342	231,889	230,681	230,341	229,560	228,273	227,807	226,711	225,650	224,622	223,954	2,745,154

Notes:

- (A) Description and reason for 'Other' adjustments to net Investment for this project
- (B) Description of Adjustments to Reserve for Gross Salvage and Other Recoveries and Cost of Removal
- (C) Line 6 x 8 8168% x 1/12. Based on ROE of 12% and weighted income tax rate of 38.575%
- (D) Description and reason for 'Other' adjustments to investment expenses for this project
- (E) Line 9a x Line 10 x 1.0007 line loss multiplier
- (F) Line 9b x Line 11

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
Calculation of the Projected Period Amount
January 2003 - December 2003
Return on Capital Investments, Depreciation and Taxes
For Project: Crist 7 Flue Gas Conditioning
P.E 1228
(in Dollars)

Line	Description	Beginning													End of
		of Period	January	February	March	April	May	June	July	August	September	October	November	December	Period
		Amount												Amount	
1	Investments														
a	Expenditures/Additions		0	0	0	0	0	0	0	0	0	0	0	0	
b	Clearings to Plant		0	0	0	0	0	0	0	0	0	0	0	0	
c	Retirements		0	0	0	0	0	0	0	0	0	0	0	0	
d	Cost of Removal		0	0	0	0	0	0	0	0	0	0	0	0	
e	Salvage		0	0	0	0	0	0	0	0	0	0	0	0	
2	Plant-in-Service/Depreciation Base	2,179,245	2,179,245	2,179,245	2,179,245	2,179,245	2,179,245	2,179,245	2,179,245	2,179,245	2,179,245	2,179,245	2,179,245	2,179,245	
3	Less: Accumulated Depreciation (B)	(702,014)	(709,353)	(716,693)	(724,032)	(731,372)	(738,711)	(746,051)	(753,390)	(760,730)	(768,069)	(775,409)	(782,748)	(790,088)	
4	CWIP - Non Interest Bearing	0	0	0	0	0	0	0	0	0	0	0	0	0	
5	Net Investment (Lines 2 - 3 + 4)	1,477,231	1,469,892	1,462,552	1,455,213	1,447,873	1,440,534	1,433,194	1,425,855	1,418,515	1,411,176	1,403,836	1,396,497	1,389,157	
6	Average Net Investment		1,473,562	1,466,222	1,458,883	1,451,543	1,444,204	1,436,864	1,429,525	1,422,185	1,414,846	1,407,506	1,400,167	1,392,827	
7	Return on Average Net Investment														
a	Equity Component Grossed Up For Taxes (C)		10,826	10,772	10,718	10,664	10,611	10,557	10,503	10,449	10,395	10,341	10,287	10,233	126,356
b	Debt Component (Line 6 x 2.5042% x 1/12)		3,075	3,060	3,045	3,029	3,014	2,999	2,983	2,968	2,953	2,937	2,922	2,907	35,892
8	Investment Expenses														
a	Depreciation		7,083	7,083	7,083	7,083	7,083	7,083	7,083	7,083	7,083	7,083	7,083	7,083	84,996
b	Amortization		0	0	0	0	0	0	0	0	0	0	0	0	
c	Dismantlement		256	257	256	257	256	257	256	257	256	257	256	257	3,078
d	Property Taxes		0	0	0	0	0	0	0	0	0	0	0	0	
e	Other (D)		0	0	0	0	0	0	0	0	0	0	0	0	
9	Total System Recoverable Expenses (Lines 7 + 8)		21,240	21,172	21,102	21,033	20,964	20,896	20,825	20,757	20,687	20,618	20,548	20,480	250,322
a	Recoverable Costs Allocated to Energy		21,240	21,172	21,102	21,033	20,964	20,896	20,825	20,757	20,687	20,618	20,548	20,480	250,322
b	Recoverable Costs Allocated to Demand		0	0	0	0	0	0	0	0	0	0	0	0	
10	Energy Jurisdictional Factor		0.9653118	0.9648027	0.9664913	0.9650414	0.9672250	0.9675573	0.9657652	0.9674366	0.9664330	0.9655726	0.9648561	0.9656763	
11	Demand Jurisdictional Factor		0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	
12	Retail Energy-Related Recoverable Costs (E)		20,518	20,441	20,409	20,312	20,291	20,232	20,126	20,095	20,007	19,922	19,840	19,791	241,984
13	Retail Demand-Related Recoverable Costs (F)		0	0	0	0	0	0	0	0	0	0	0	0	
14	Total Juris. Recoverable Costs (Lines 12 + 13)		20,518	20,441	20,409	20,312	20,291	20,232	20,126	20,095	20,007	19,922	19,840	19,791	241,984

Notes:

- (A) Description and reason for 'Other' adjustments to net Investment for this project
- (B) Description of Adjustments to Reserve for Gross Salvage and Other Recoveries and Cost of Removal
- (C) Line 6 x 8 8168% x 1/12 Based on ROE of 12% and weighted income tax rate of 38.575%
- (D) Description and reason for 'Other' adjustments to investment expenses for this project
- (E) Line 9a x Line 10 x 1.0007 line loss multiplier
- (F) Line 9b x Line 11

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Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
Calculation of the Projected Period Amount
January 2003 - December 2003
Return on Capital Investments, Depreciation and Taxes
For Project Low Nox Burners, Crist 6 & 7
P E s 1234, 1236 & 1242
(in Dollars)

Line	Description	Beginning													End of
		of Period	January	February	March	April	May	June	July	August	September	October	November	December	Period
		Amount													Amount
1	Investments														
a	Expenditures/Additions		0	0	0	0	0	0	0	0	325,000	325,000	325,000	325,000	
b	Clearings to Plant		0	0	0	0	0	0	0	0	0	0	0	0	
c	Retirements		0	0	0	0	0	0	0	0	0	0	0	0	
d	Cost of Removal		0	0	0	0	0	0	0	0	0	0	0	0	
e	Salvage		0	0	0	0	0	0	0	0	0	0	0	0	
2	Plant-in-Service/Depreciation Base	16,296,359	16,296,359	16,296,359	16,296,359	16,296,359	16,296,359	16,296,359	16,296,359	16,296,359	16,296,359	16,296,359	16,296,359	16,296,359	
3	Less: Accumulated Depreciation (B)	(4,563,638)	(4,616,601)	(4,669,564)	(4,722,527)	(4,775,490)	(4,828,453)	(4,881,416)	(4,934,379)	(4,987,342)	(5,040,305)	(5,093,268)	(5,146,231)	(5,199,194)	
4	CWIP - Non Interest Bearing	0	0	0	0	0	0	0	0	0	325,000	650,000	975,000	1,300,000	
5	Net Investment (Lines 2 - 3 + 4)	<u>11,732,721</u>	<u>11,679,758</u>	<u>11,626,795</u>	<u>11,573,832</u>	<u>11,520,869</u>	<u>11,467,906</u>	<u>11,414,943</u>	<u>11,361,980</u>	<u>11,309,017</u>	<u>11,581,054</u>	<u>11,853,091</u>	<u>12,125,128</u>	<u>12,397,165</u>	
6	Average Net Investment		11,706,240	11,653,277	11,600,314	11,547,351	11,494,388	11,441,425	11,388,462	11,335,499	11,445,036	11,717,073	11,989,110	12,261,147	
7	Return on Average Net Investment														
a	Equity Component Grossed Up For Taxes (C)		86,006	85,617	85,228	84,838	84,449	84,060	83,671	83,282	84,087	86,085	88,084	90,083	1,025,490
b	Debt Component (Line 6 x 2 5042% x 1/12)		24,431	24,320	24,210	24,099	23,989	23,878	23,768	23,657	23,886	24,454	25,021	25,589	291,302
8	Investment Expenses														
a	Depreciation		52,963	52,963	52,963	52,963	52,963	52,963	52,963	52,963	52,963	52,963	52,963	52,963	635,556
b	Amortization		0	0	0	0	0	0	0	0	0	0	0	0	
c	Dismantlement		0	0	0	0	0	0	0	0	0	0	0	0	
d	Property Taxes		0	0	0	0	0	0	0	0	0	0	0	0	
e	Other (D)		0	0	0	0	0	0	0	0	0	0	0	0	
9	Total System Recoverable Expenses (Lines 7 + 8)		163,400	162,900	162,401	161,900	161,401	160,901	160,402	159,902	160,936	163,502	166,068	168,635	1,952,348
a	Recoverable Costs Allocated to Energy		163,400	162,900	162,401	161,900	161,401	160,901	160,402	159,902	160,936	163,502	166,068	168,635	1,952,348
b	Recoverable Costs Allocated to Demand		0	0	0	0	0	0	0	0	0	0	0	0	
10	Energy Jurisdictional Factor		0.9653118	0.9648027	0.9664913	0.9650414	0.9672250	0.9675573	0.9657652	0.9674366	0.9664330	0.9655726	0.9648561	0.9656763	
11	Demand Jurisdictional Factor		0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	
12	Retail Energy-Related Recoverable Costs (E)		157,842	157,276	157,069	156,350	156,220	155,790	155,019	154,803	155,643	157,984	160,344	162,961	1,887,301
13	Retail Demand-Related Recoverable Costs (F)		0	0	0	0	0	0	0	0	0	0	0	0	
14	Total Juris Recoverable Costs (Lines 12 + 13)		<u>157,842</u>	<u>157,276</u>	<u>157,069</u>	<u>156,350</u>	<u>156,220</u>	<u>155,790</u>	<u>155,019</u>	<u>154,803</u>	<u>155,643</u>	<u>157,984</u>	<u>160,344</u>	<u>162,961</u>	<u>1,887,301</u>

Notes:

- (A) Description and reason for 'Other' adjustments to net Investment for this project
- (B) Description of Adjustments to Reserve for Gross Salvage and Other Recoveries and Cost of Removal
- (C) Line 6 x 8 8168% x 1/12 Based on ROE of 12% and weighted income tax rate of 38.575%
- (D) Description and reason for 'Other' adjustments to investment expenses for this project
- (E) Line 9a x Line 10 x 1.0007 line loss multiplier
- (F) Line 9b x Line 11

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
Calculation of the Projected Period Amount
January 2003 - December 2003
Return on Capital Investments, Depreciation and Taxes
For Project CEMs- Plant Crist, Scholz, Smith, and Daniel
P.E.s 1154, 1164, 1240, 1245, 1286, 1289, 1290, 1311, 1316, 1323, 1324, 1325, 1440, 1441, 1442, 1454, 1459, 1460, 1558
(in Dollars)

Line	Description	Beginning													End of
		of Period	January	February	March	April	May	June	July	August	September	October	November	December	Period
		Amount													Amount
1	Investments														
a	Expenditures/Additions		125,000	0	50,000	130,000	130,000	50,000	0	0	0	0	0	0	
b	Clearings to Plant		591,155	0	0	0	0	488,310	0	0	0	0	0	0	
c	Retirements		147,657	0	0	0	120,000	0	0	0	0	0	0	0	
d	Cost of Removal		0	0	0	2,000	0	0	0	0	0	0	0	0	
e	Salvage		0	0	0	0	0	0	0	0	0	0	0	0	
2	Plant-in-Service/Depreciation Base	4,383,778	4,827,276	4,827,276	4,827,276	4,827,276	4,707,276	5,195,586	5,195,586	5,195,586	5,195,586	5,195,586	5,195,586	5,195,586	
3	Less: Accumulated Depreciation (B)	69,357	203,557	189,365	175,173	162,981	268,934	254,305	238,950	223,595	208,240	192,885	177,530	162,175	
4	CWIP - Non Interest Bearing	594,465	128,310	128,310	178,310	308,310	438,310	0	0	0	0	0	0	0	
5	Net Investment (Lines 2 - 3 + 4)	5,047,600	5,159,143	5,144,951	5,180,759	5,298,567	5,414,520	5,449,891	5,434,536	5,419,181	5,403,826	5,388,471	5,373,116	5,357,761	
6	Average Net Investment		5,103,372	5,152,047	5,162,855	5,239,663	5,356,544	5,432,206	5,442,214	5,426,859	5,411,504	5,396,149	5,380,794	5,365,439	
7	Return on Average Net Investment														
a	Equity Component Grossed Up For Taxes (C)		37,494	37,852	37,931	38,496	39,355	39,910	39,984	39,871	39,758	39,646	39,533	39,420	469,250
b	Debt Component (Line 6 x 2.5042% x 1/12)		10,651	10,752	10,775	10,935	11,179	11,337	11,358	11,326	11,294	11,262	11,230	11,198	133,297
8	Investment Expenses														
a	Depreciation		13,457	14,192	14,192	14,192	14,047	14,629	15,355	15,355	15,355	15,355	15,355	15,355	176,839
b	Amortization		0	0	0	0	0	0	0	0	0	0	0	0	
c	Dismantlement		0	0	0	0	0	0	0	0	0	0	0	0	
d	Property Taxes		1,430	1,430	1,430	1,430	1,430	1,430	1,430	1,430	1,430	1,430	1,430	1,430	17,160
e	Other (D)		0	0	0	0	0	0	0	0	0	0	0	0	
9	Total System Recoverable Expenses (Lines 7 + 8)		63,032	64,226	64,328	65,053	66,011	67,306	68,127	67,982	67,837	67,693	67,548	67,403	796,546
a	Recoverable Costs Allocated to Energy		63,032	64,226	64,328	65,053	66,011	67,306	68,127	67,982	67,837	67,693	67,548	67,403	796,546
b	Recoverable Costs Allocated to Demand		0	0	0	0	0	0	0	0	0	0	0	0	
10	Energy Jurisdictional Factor		0.9653118	0.9648027	0.9664913	0.9650414	0.9672250	0.9675573	0.9657652	0.9674366	0.9664330	0.9655726	0.9648561	0.9656763	
11	Demand Jurisdictional Factor		0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	
12	Retail Energy-Related Recoverable Costs (E)		60,888	62,009	62,216	62,823	63,892	65,168	65,841	65,814	65,606	65,408	65,220	65,135	770,020
13	Retail Demand-Related Recoverable Costs (F)		0	0	0	0	0	0	0	0	0	0	0	0	
14	Total Juris. Recoverable Costs (Lines 12 + 13)		60,888	62,009	62,216	62,823	63,892	65,168	65,841	65,814	65,606	65,408	65,220	65,135	770,020

Notes:

- (A) Description and reason for 'Other' adjustments to net investment for this project
- (B) Description of Adjustments to Reserve for Gross Salvage and Other Recoveries and Cost of Removal
- (C) Line 6 x 8.8168% x 1/12. Based on ROE of 12% and weighted income tax rate of 38.575%
- (D) Description and reason for 'Other' adjustments to investment expenses for this project
- (E) Line 9a x Line 10 x 1.0007 line loss multiplier
- (F) Line 9b x Line 11

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
Calculation of the Projected Period Amount
January 2003 - December 2003
Return on Capital Investments, Depreciation and Taxes
For Project: Sub Contam Mobile Groundwater Treat Sys
P.E. 1007, 3400, & 3412
(in Dollars)

Line	Description	Beginning													End of
		of Period	January	February	March	April	May	June	July	August	September	October	November	December	Period
		Amount													Amount
1	Investments														
a	Expenditures/Additions		0	0	0	0	0	0	0	0	0	0	0	0	
b	Clearings to Plant		0	0	0	0	0	0	0	0	0	0	0	0	
c	Retirements		0	0	0	0	0	0	0	0	0	0	0	0	
d	Cost of Removal		0	0	0	0	0	0	0	0	0	0	0	0	
e	Salvage		0	0	0	0	0	0	0	0	0	0	0	0	
2	Plant-in-Service/Depreciation Base	929,394	929,394	929,394	929,394	929,394	929,394	929,394	929,394	929,394	929,394	929,394	929,394	929,394	
3	Less: Accumulated Depreciation (B)	(76,140)	(78,187)	(80,234)	(82,281)	(84,328)	(86,375)	(88,422)	(90,469)	(92,516)	(94,563)	(96,610)	(98,657)	(100,704)	
4	CWIP - Non Interest Bearing	0	0	0	0	0	0	0	0	0	0	0	0	0	
5	Net Investment (Lines 2 - 3 + 4)	853,254	851,207	849,160	847,113	845,066	843,019	840,972	838,925	836,878	834,831	832,784	830,737	828,690	
6	Average Net Investment		852,231	850,184	848,137	846,090	844,043	841,996	839,949	837,902	835,855	833,808	831,761	829,714	
7	Return on Average Net Investment														
a	Equity Component Grossed Up For Taxes (C)		6,261	6,246	6,231	6,216	6,201	6,186	6,171	6,156	6,141	6,126	6,111	6,096	74,142
b	Debt Component (Line 6 x 2.5042% x 1/12)		1,779	1,774	1,770	1,766	1,762	1,757	1,753	1,749	1,744	1,740	1,736	1,732	21,062
8	Investment Expenses														
a	Depreciation		1,912	1,912	1,912	1,912	1,912	1,912	1,912	1,912	1,912	1,912	1,912	1,912	22,944
b	Amortization		135	135	135	135	135	135	135	135	135	135	135	135	1,620
c	Dismantlemen		0	0	0	0	0	0	0	0	0	0	0	0	0
d	Property Taxes		0	0	0	0	0	0	0	0	0	0	0	0	0
e	Other (D)		0	0	0	0	0	0	0	0	0	0	0	0	0
9	Total System Recoverable Expenses (Lines 7 + 8)		10,087	10,067	10,048	10,029	10,010	9,990	9,971	9,952	9,932	9,913	9,894	9,875	119,768
a	Recoverable Costs Allocated to Energy		776	774	773	771	770	768	767	766	764	763	761	760	9,213
b	Recoverable Costs Allocated to Demand		9,311	9,293	9,275	9,258	9,240	9,222	9,204	9,186	9,168	9,150	9,133	9,115	110,555
10	Energy Jurisdictional Factor		0.9653118	0.9648027	0.9664913	0.9650414	0.9672250	0.9675573	0.9657652	0.9674366	0.9664330	0.9655726	0.9648561	0.9656763	
11	Demand Jurisdictional Factor		0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	
12	Retail Energy-Related Recoverable Costs (E)		750	747	748	745	745	744	741	742	739	737	735	734	8,907
13	Retail Demand-Related Recoverable Costs (F)		8,985	8,968	8,951	8,934	8,917	8,899	8,882	8,865	8,847	8,830	8,814	8,796	106,688
14	Total Juris. Recoverable Costs (Lines 12 + 13)		9,735	9,715	9,699	9,679	9,662	9,643	9,623	9,607	9,586	9,567	9,549	9,530	115,595

Notes:

- (A) Description and reason for 'Other' adjustments to net Investment for this project
- (B) Description of Adjustments to Reserve for Gross Salvage and Other Recoveries and Cost of Removal
- (C) Line 6 x 8.8168% x 1/12. Based on ROE of 12% and weighted income tax rate of 38.575%
- (D) Description and reason for 'Other' adjustments to investment expenses for this project
- (E) Line 9a x Line 10 x 1.0007 line loss multiplier
- (F) Line 9b x Line 11

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
Calculation of the Projected Period Amount
January 2003 - December 2003
Return on Capital Investments, Depreciation and Taxes
For Project: Raw Water Well Flowmeters - Crist & Smith
P E. 1155 & 1606
(in Dollars)

Line	Description	Beginning													End of
		of Period	January	February	March	April	May	June	July	August	September	October	November	December	Period
		Amount													Amount
i	Investments														
a	Expenditures/Additions		0	0	0	0	0	0	0	0	0	0	0	0	0
b	Clearings to Plant		0	0	0	0	0	0	0	0	0	0	0	0	0
c	Retirements		0	0	0	0	0	0	0	0	0	0	0	0	0
d	Cost of Removal		0	0	0	0	0	0	0	0	0	0	0	0	0
e	Salvage		0	0	0	0	0	0	0	0	0	0	0	0	0
2	Plant-in-Service/Depreciation Base	242,943	242,943	242,943	242,943	242,943	242,943	242,943	242,943	242,943	242,943	242,943	242,943	242,943	242,943
3	Less Accumulated Depreciation (B)	(13,373)	(14,116)	(14,859)	(15,602)	(16,345)	(17,088)	(17,831)	(18,574)	(19,317)	(20,060)	(20,803)	(21,546)	(22,289)	
4	CWIP - Non Interest Bearing	0	0	0	0	0	0	0	0	0	0	0	0	0	0
5	Net Investment (Lines 2 - 3 + 4)	229,570	228,827	228,084	227,341	226,598	225,855	225,112	224,369	223,626	222,883	222,140	221,397	220,654	
6	Average Net Investment		229,199	228,456	227,713	226,970	226,227	225,484	224,741	223,998	223,255	222,512	221,769	221,026	
7	Return on Average Net Investment														
a	Equity Component Grossed Up For Taxes (C)		1,684	1,678	1,673	1,668	1,662	1,657	1,651	1,646	1,640	1,635	1,629	1,624	19,847
b	Debt Component (Line 6 x 2.5042% x 1/12)		478	477	475	474	472	471	469	467	466	464	463	461	5,637
8	Investment Expenses														
a	Depreciation		743	743	743	743	743	743	743	743	743	743	743	743	8,916
b	Amortization		0	0	0	0	0	0	0	0	0	0	0	0	0
c	Dismantlement		0	0	0	0	0	0	0	0	0	0	0	0	0
d	Property Taxes		0	0	0	0	0	0	0	0	0	0	0	0	0
e	Other (D)		0	0	0	0	0	0	0	0	0	0	0	0	0
9	Total System Recoverable Expenses (Lines 7 + 8)		2,905	2,898	2,891	2,885	2,877	2,871	2,863	2,856	2,849	2,842	2,835	2,828	34,400
a	Recoverable Costs Allocated to Energy		223	223	222	222	221	221	220	219	219	219	218	218	2,646
b	Recoverable Costs Allocated to Demand		2,682	2,675	2,669	2,663	2,656	2,650	2,643	2,636	2,630	2,623	2,617	2,610	31,754
10	Energy Jurisdictional Factor		0.9653118	0.9648027	0.9664913	0.9650414	0.9672250	0.9675573	0.9657652	0.9674366	0.9664330	0.9655726	0.9648561	0.9656763	
11	Demand Jurisdictional Factor		0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	
12	Retail Energy-Related Recoverable Costs (E)		215	215	215	214	214	214	213	213	212	212	210	211	2,558
13	Retail Demand-Related Recoverable Costs (F)		2,588	2,581	2,576	2,570	2,563	2,557	2,551	2,544	2,538	2,531	2,525	2,519	30,643
14	Total Juris Recoverable Costs (Lines 12 + 13)		2,803	2,796	2,791	2,784	2,777	2,771	2,764	2,757	2,750	2,743	2,735	2,730	33,201

Notes:

- (A) Description and reason for 'Other' adjustments to net Investment for this project
- (B) Description of Adjustments to Reserve for Gross Salvage and Other Recoveries and Cost of Removal
- (C) Line 6 x 8.8168% x 1/12. Based on ROE of 12% and weighted income tax rate of 38.575%
- (D) Description and reason for 'Other' adjustments to investment expenses for this project
- (E) Line 9a x Line 10 x 1.0007 line loss multiplier
- (F) Line 9b x Line 11

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
Calculation of the Projected Period Amount
January 2003 - December 2003
Return on Capital Investments, Depreciation and Taxes
For Project: Crist Cooling Tower Cell
P.E. 1232
(in Dollars)

Line	Description	Beginning of Period Amount	January	February	March	April	May	June	July	August	September	October	November	December	End of Period Amount
1	Investments														
a	Expenditures/Additions		0	0	0	0	0	0	0	0	0	0	0	0	
b	Clearings to Plant		0	0	0	0	0	0	0	0	0	0	0	0	
	Retirements		0	0	0	0	0	0	0	0	0	0	0	0	
d	Cost of Removal		0	0	0	0	0	0	0	0	0	0	0	0	
e	Salvage		0	0	0	0	0	0	0	0	0	0	0	0	
2	Plant-in-Service/Depreciation Base	906,659	906,659	906,659	906,659	906,659	906,659	906,659	906,659	906,659	906,659	906,659	906,659	906,659	
3	Less: Accumulated Depreciation (B)	(297,961)	(301,113)	(304,264)	(307,416)	(310,567)	(313,719)	(316,870)	(320,022)	(323,173)	(326,325)	(329,476)	(332,627)	(335,778)	
4	CWIP - Non Interest Bearing	0	0	0	0	0	0	0	0	0	0	0	0	0	
5	Net Investment (Lines 2 - 3 + 4)	608,698	605,546	602,395	599,243	596,092	592,940								
6	Average Net Investment		607,122	603,971	600,819	597,668	594,516	591,365	588,213	585,062	581,910	578,759	575,608	572,457	
7	Return on Average Net Investment														
a	Equity Component Grossed Up For Taxes (C)		4,461	4,437	4,414	4,391	4,368	4,345	4,322	4,298	4,275	4,252	4,229	4,206	51,998
b	Debt Component (Line 6 x 2.5042% x 1/12)		1,267	1,260	1,254	1,247	1,241	1,234	1,228	1,221	1,214	1,208	1,201	1,195	14,770
8	Investment Expenses														
a	Depreciation		2,947	2,947	2,947	2,947	2,947	2,947	2,947	2,947	2,947	2,947	2,947	2,947	35,364
b	Amortization		0	0	0	0	0	0	0	0	0	0	0	0	0
	Dismantlement		205	204	205	204	205	204	205	204	205	204	204	204	2,453
d	Property Taxes		0	0	0	0	0	0	0	0	0	0	0	0	0
e	Other (D)		0	0	0	0	0	0	0	0	0	0	0	0	0
9	Total System Recoverable Expenses (Lines 7 + 8)	8,880	8,848	8,820	8,789	8,761	8,730	8,702	8,670	8,641	8,611	8,581	8,552	8,524	104,585
a	Recoverable Costs Allocated to Energy	683	681	678	676	674	672	669	667	665	662	660	658	656	8,045
b	Recoverable Costs Allocated to Demand	8,197	8,167	8,142	8,113	8,087	8,058	8,033	8,003	7,976	7,949	7,921	7,894	7,867	96,540
10	Energy Jurisdictional Factor	0.9653118	0.9648027	0.9664913	0.9650414	0.9672250	0.9675573	0.9657652	0.9674366	0.9664330	0.9655726	0.9648561	0.9656763		
11	Demand Jurisdictional Factor	0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	
12	Retail Energy-Related Recoverable Costs (E)	660	657	656	653	652	651	647	646	643	640	637	636	636	7,778
13	Retail Demand-Related Recoverable Costs (F)	7,910	7,881	7,857	7,829	7,804	7,776	7,752	7,723	7,697	7,671	7,644	7,618	7,592	93,162
14	Total Juris. Recoverable Costs (Lines 12 + 13)	8,570	8,538	8,513	8,482	8,456	8,427	8,399	8,369	8,340	8,311	8,281	8,254	8,228	100,940

Notes:

- (A) Description and reason for 'Other' adjustments to net investment for this project
- (B) Description of Adjustments to Reserve for Gross Salvage and Other Recoveries and Cost of Removal
- (C) Line 6 x 8.8168% x 1/12. Based on ROE of 12% and weighted income tax rate of 38.575%
- (D) Description and reason for 'Other' adjustments to investment expenses for this project
- (E) Line 9a x Line 10 x 1.0007 line loss multiplier
- (F) Line 9b x Line 11

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
Calculation of the Projected Period Amount
January 2003 - December 2003
Return on Capital Investments, Depreciation and Taxes
For Project: Crist 1-5 Dechlorination
P E 1248
(in Dollars)

Line	Description	Beginning													End of
		of Period	January	February	March	April	May	June	July	August	September	October	November	December	Period
		Amount													Amount
1	Investments														
a	Expenditures/Additions		0	0	0	0	0	0	0	0	0	0	0	0	0
b	Clearings to Plant		0	0	0	0	0	0	0	0	0	0	0	0	0
c	Retirements		0	0	0	0	0	0	0	0	0	0	0	0	0
d	Cost of Removal		0	0	0	0	0	0	0	0	0	0	0	0	0
e	Salvage		0	0	0	0	0	0	0	0	0	0	0	0	0
2	Plant-in-Service/Depreciation Base	305,323	305,323	305,323	305,323	305,323	305,323	305,323	305,323	305,323	305,323	305,323	305,323	305,323	305,323
3	Less: Accumulated Depreciation (B)	(78,990)	(79,982)	(80,974)	(81,966)	(82,958)	(83,950)	(84,942)	(85,934)	(86,926)	(87,918)	(88,910)	(89,902)	(90,894)	
4	CWIP - Non Interest Bearing	0	0	0	0	0	0	0	0	0	0	0	0	0	0
5	Net Investment (Lines 2 - 3 + 4)	226,333	225,341	224,349	223,357	222,365	221,373	220,381	219,389	218,397	217,405	216,413	215,421	214,429	
6	Average Net Investment		225,837	224,845	223,853	222,861	221,869	220,877	219,885	218,893	217,901	216,909	215,917	214,925	
7	Return on Average Net Investment														
a	Equity Component Grossed Up For Taxes (C)		1,659	1,652	1,645	1,637	1,630	1,623	1,615	1,608	1,601	1,594	1,586	1,579	19,429
b	Debt Component (Line 6 x 2.5042% x 1/12)		471	469	467	465	463	461	459	457	455	453	451	449	5,520
8	Investment Expenses														
a	Depreciation		992	992	992	992	992	992	992	992	992	992	992	992	11,904
b	Amortization		0	0	0	0	0	0	0	0	0	0	0	0	0
c	Dismantlement		0	0	0	0	0	0	0	0	0	0	0	0	0
d	Property Taxes		0	0	0	0	0	0	0	0	0	0	0	0	0
e	Other (D)		0	0	0	0	0	0	0	0	0	0	0	0	0
9	Total System Recoverable Expenses (Lines 7 + 8)		3,122	3,113	3,104	3,094	3,085	3,076	3,066	3,057	3,048	3,039	3,029	3,020	36,853
a	Recoverable Costs Allocated to Energy		240	239	239	238	237	237	236	235	234	234	233	232	2,834
b	Recoverable Costs Allocated to Demand		2,882	2,874	2,865	2,856	2,848	2,839	2,830	2,822	2,814	2,805	2,796	2,788	34,019
10	Energy Jurisdictional Factor		0.9653118	0.9648027	0.9664913	0.9650414	0.9672250	0.9675573	0.9657652	0.9674366	0.9664330	0.9655726	0.9648561	0.9656763	
11	Demand Jurisdictional Factor		0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	
12	Retail Energy-Related Recoverable Costs (E)		232	231	231	230	229	229	228	228	226	226	225	224	2,739
13	Retail Demand-Related Recoverable Costs (F)		2,781	2,773	2,765	2,756	2,748	2,740	2,731	2,723	2,716	2,707	2,698	2,690	32,828
14	Total Juris. Recoverable Costs (Lines 12 + 13)		3,013	3,004	2,996	2,986	2,977	2,969	2,959	2,951	2,942	2,933	2,923	2,914	35,567

Notes:

- (A) Description and reason for 'Other' adjustments to net investment for this project
- (B) Description of Adjustments to Reserve for Gross Salvage and Other Recoveries and Cost of Removal
- (C) Line 6 x 8.8168% x 1/12 Based on ROE of 12% and weighted income tax rate of 38.575%
- (D) Description and reason for 'Other' adjustments to investment expenses for this project
- (E) Line 9a x Line 10 x 1.0007 line loss multiplier
- (F) Line 9b x Line 11

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
Calculation of the Projected Period Amount
January 2003 - December 2003
Return on Capital Investments, Depreciation and Taxes
For Project: Crist Diesel Fuel Oil Remediation
P. #. 1270
(in Dollars)

Line	Description	Beginning													End of
		of Period	January	February	March	April	May	June	July	August	September	October	November	December	Period
		Amount													Amount
1	Investments														
a	Expenditures/Additions		0	0	0	0	0	0	0	0	0	0	0	0	0
b	Clearings to Plant		0		0	0	0	0	0	0	0	0	0	0	0
	Retirements		0		0	0	0	0	0	0	0	0	0	0	0
d	Cost of Removal			0	0	0	0	0	0	0	0	0	0	0	0
e	Salvage		0	0	0	0	0	0	0	0	0	0	0	0	0
2	Plant-in-Service/Depreciation Base	47,955	47,955	47,955	47,955	47,955	47,955	47,955	47,955	47,955	47,955	47,955	47,955	47,955	47,955
3	Less: Accumulated Depreciation (B)	(13,066)	(13,222)	(13,378)	(13,534)	(13,690)	(13,846)	(14,002)	(14,158)	(14,314)	(14,470)	(14,626)	(14,782)	(14,938)	
4	CWIP - Non Interest Bearing	0	0	0	0	0	0	0	0	0	0	0	0	0	0
5	Net Investment (Lines 2 - 3 + 4)	34,889	34,733	34,577	34,421	34,265	34,109	33,953	33,797	33,641	33,485	33,329	33,173	33,017	
	Average Net Investment		34,811	34,655	34,499	34,343	34,187	34,031	33,875	33,719	33,563	33,407	33,251	33,095	
7	Return on Average Net Investment														
a	Equity Component Grossed Up For Taxes (C)		256	255	253	252	251	250	249	248	247	245	244	243	2,993
b	Debt Component (Line 6 x 2.5042% x 1/12)		73	72	72	72	71	71	71	70	70	70	69	69	850
8	Investment Expenses														
a	Depreciation		156	156	156	156	156	156	156	156	156	156	156	156	1,872
b	Amortization		0	0	0	0	0	0	0	0	0	0	0	0	0
	Dismantlemen:		0	0	0	0	0	0	0	0	0	0	0	0	0
d	Property Taxes		0	0	0	0	0	0	0	0	0	0	0	0	0
e	Other (D)		0	0	0	0	0	0	0	0	0	0	0	0	0
9	Total System Recoverable Expenses (Lines 7 + 8)		485	483	481	480	478	477	476	474	473	471	469	468	5,715
a	Recoverable Costs Allocated to Energy		37	37	37	37	37	37	37	36	36	36	36	36	439
b	Recoverable Costs Allocated to Demand		448	446	444	443	441	440	439	438	437	435	433	432	5,276
10	Energy Jurisdictional Factor		0.9653118	0.9648027	0.9664913	0.9650414	0.9672250	0.9675573	0.9657652	0.9674366	0.9664330	0.9655726	0.9648561	0.9656763	
11	Demand Jurisdictional Factor		0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	
12	Retail Energy-Related Recoverable Costs (E)		36	36	36	36	36	36	36	35	35	35	35	35	427
13	Retail Demand-Related Recoverable Costs (F)		432	430	428	428	426	425	424	423	422	420	418	417	5,093
14	Total Juris. Recoverable Costs (Lines 12 + 13)		468	466	464	464	462	461	460	458	457	455	453	452	5,520

Notes:

- (A) Description and reason for 'Other' adjustments to net Investment for this project
- (B) Description of Adjustments to Reserve for Gross Salvage and Other Recoveries and Cost of Removal
- (C) Line 6 x 8.8168% x 1/12. Based on ROE of 12% and weighted income tax rate of 38.575%
- (D) Description and reason for 'Other' adjustments to investment expenses for this project
- (E) Line 9a x Line 10 x 1.0007 line loss multiplier
- (F) Line 9b x Line 11

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Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
Calculation of the Projected Period Amount
January 2003 - December 2003
Return on Capital Investments, Depreciation and Taxes
For Project: Crst Bulk Tanker Unload Sec Contain Struc
P E 1271
(in Dollars)

Line	Description	Beginning													End of
		of Period	January	February	March	April	May	June	July	August	September	October	November	December	Period
		Amount													Amount
1	Investments														
a	Expenditures/Additions		0	0	0	0	0	0	0	0	0	0	0	0	0
b	Clearings to Plant		0	0	0	0	0	0	0	0	0	0	0	0	0
c	Retirements		0	0	0	0	0	0	0	0	0	0	0	0	0
d	Cost of Removal		0	0	0	0	0	0	0	0	0	0	0	0	0
e	Salvage		0	0	0	0	0	0	0	0	0	0	0	0	0
2	Plant-in-Service/Depreciation Base	101,495	101,495	101,495	101,495	101,495	101,495	101,495	101,495	101,495	101,495	101,495	101,495	101,495	101,495
3	Less: Accumulated Depreciation (B)	(26,193)	(26,523)	(26,853)	(27,183)	(27,513)	(27,843)	(28,173)	(28,503)	(28,833)	(29,163)	(29,493)	(29,823)	(30,153)	
4	CWIP - Non Interest Bearing	0	0	0	0	0	0	0	0	0	0	0	0	0	0
5	Net Investment (Lines 2 - 3 + 4)	75,302	74,972	74,642	74,312	73,982	73,652	73,322	72,992	72,662	72,332	72,002	71,672	71,342	
6	Average Net Investment		75,137	74,807	74,477	74,147	73,817	73,487	73,157	72,827	72,497	72,167	71,837	71,507	
7	Return on Average Net Investment														
a	Equity Component Grossed Up For Taxes (C)		552	550	547	545	542	540	537	535	533	530	528	525	6,464
b	Debt Component (Line 6 x 2 5042% x 1/12)		157	156	155	155	154	153	153	152	151	151	150	149	1,836
8	Investment Expenses														
a	Depreciation		330	330	330	330	330	330	330	330	330	330	330	330	3,960
b	Amortization		0	0	0	0	0	0	0	0	0	0	0	0	0
c	Dismantlement		0	0	0	0	0	0	0	0	0	0	0	0	0
d	Property Taxes		0	0	0	0	0	0	0	0	0	0	0	0	0
e	Other (D)		0	0	0	0	0	0	0	0	0	0	0	0	0
9	Total System Recoverable Expenses (Lines 7 + 8)		1,039	1,036	1,032	1,030	1,026	1,023	1,020	1,017	1,014	1,011	1,008	1,004	12,260
a	Recoverable Costs Allocated to Energy		80	80	79	79	79	79	78	78	78	78	78	77	943
b	Recoverable Costs Allocated to Demand		959	956	953	951	947	944	942	939	936	933	930	927	11,317
10	Energy Jurisdictional Factor		0.9653118	0.9648027	0.9664913	0.9650414	0.9672250	0.9675573	0.9657652	0.9674366	0.9664330	0.9655726	0.9648561	0.9656763	
11	Demand Jurisdictional Factor		0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	
12	Retail Energy-Related Recoverable Costs (E)		77	77	76	76	76	76	75	76	75	75	75	74	908
13	Retail Demand-Related Recoverable Costs (F)		925	923	920	918	914	911	909	906	903	900	897	895	10,921
14	Total Juris Recoverable Costs (Lines 12 + 13)		1,002	1,000	996	994	990	987	984	982	978	975	972	969	11,829

Notes

- (A) Description and reason for 'Other' adjustments to net Investment for this project
- (B) Description of Adjustments to Reserve for Gross Salvage and Other Recoveries and Cost of Removal
- (C) Line 6 x 8 8168% x 1/12. Based on ROE of 12% and weighted income tax rate of 38.575%
- (D) Description and reason for 'Other' adjustments to investment expenses for this project
- (E) Line 9a x Line 10 x 1.0007 line loss multiplier
- (F) Line 9b x Line 11

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
Calculation of the Projected Period Amount
January 2003 - December 2003
Return on Capital Investments, Depreciation and Taxes
For Project: Crist IWW Sampling System
P E 1275
(in Dollars)

Line	Description	Beginning													End of
		of Period	January	February	March	April	May	June	July	August	September	October	November	December	Period
		Amount													Amount
1	Investments														
a	Expenditures/Additions		0	0	0	0	0	0	0	0	0	0	0	0	0
b	Clearings to Plant		0	0	0	0	0	0	0	0	0	0	0	0	0
c	Retirements		0	0	0	0	0	0	0	0	0	0	0	0	0
d	Cost of Removal		0	0	0	0	0	0	0	0	0	0	0	0	0
e	Salvage		0	0	0	0	0	0	0	0	0	0	0	0	0
2	Plant-in-Service/Depreciation Base	59,543	59,543	59,543	59,543	59,543	59,543	59,543	59,543	59,543	59,543	59,543	59,543	59,543	59,543
3	Less: Accumulated Depreciation (B)	(15,684)	(15,878)	(16,072)	(16,266)	(16,460)	(16,654)	(16,848)	(17,042)	(17,236)	(17,430)	(17,624)	(17,818)	(18,012)	(18,012)
4	CWIP - Non Interest Bearing	0	0	0	0	0	0	0	0	0	0	0	0	0	0
5	Net Investment (Lines 2 - 3 + 4)	43,859	43,665	43,471	43,277	43,083	42,889	42,695	42,501	42,307	42,113	41,919	41,725	41,531	41,531
6	Average Net Investment		43,762	43,568	43,374	43,180	42,986	42,792	42,598	42,404	42,210	42,016	41,822	41,628	41,628
7	Return on Average Net Investment														
a	Equity Component Grossed Up For Taxes (C)		322	320	319	317	316	314	313	312	310	309	307	306	3,765
b	Debt Component (Line 6 x 2.5042% x 1/12)		91	91	91	90	90	89	89	88	88	88	87	87	1,069
8	Investment Expenses														
a	Depreciation		194	194	194	194	194	194	194	194	194	194	194	194	2,328
b	Amortization		0	0	0	0	0	0	0	0	0	0	0	0	0
c	Dismantlement		0	0	0	0	0	0	0	0	0	0	0	0	0
d	Property Taxes		0	0	0	0	0	0	0	0	0	0	0	0	0
e	Other (D)		0	0	0	0	0	0	0	0	0	0	0	0	0
9	Total System Recoverable Expenses (Lines 7 + 8)		607	605	604	601	600	597	596	594	592	591	588	587	7,162
a	Recoverable Costs Allocated to Energy		47	47	46	46	46	46	46	46	46	45	45	45	551
b	Recoverable Costs Allocated to Demand		560	558	558	555	554	551	550	548	546	546	543	542	6,611
10	Energy Jurisdictional Factor		0.9653118	0.9648027	0.9664913	0.9650414	0.9672250	0.9675373	0.9657652	0.9674366	0.9664330	0.9655726	0.9648561	0.9656763	0.9656763
11	Demand Jurisdictional Factor		0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	0.9650187
12	Retail Energy-Related Recoverable Costs (E)		45	45	44	44	45	45	44	45	44	43	43	43	530
13	Retail Demand-Related Recoverable Costs (F)		540	538	538	536	535	532	531	529	527	527	524	523	6,380
14	Total Juris. Recoverable Costs (Lines 12 + 13)		585	583	582	580	580	577	575	574	571	570	567	566	6,910

Notes:

- (A) Description and reason for 'Other' adjustments to net Investment for this project
- (B) Description of Adjustments to Reserve for Gross Salvage and Other Recoveries and Cost of Removal
- (C) Line 6 x 8.8168% x 1/12 Based on ROE of 12% and weighted income tax rate of 38.575%
- (D) Description and reason for 'Other' adjustments to investment expenses for this project
- (E) Line 9a x Line 10 x 1.0007 line loss multiplier
- (F) Line 9b x Line 11

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Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
Calculation of the Projected Period Amount
January 2003 - December 2003
Return on Capital Investments, Depreciation and Taxes
For Project: Smith Sodium Injection System
P.E 1413
(in Dollars)

Line	Description	Beginning													End of
		of Period	January	February	March	April	May	June	July	August	September	October	November	December	Period
		Amount													Amount
1	Investments														
a	Expenditures/Additions		0	0	0	0	0	0	0	0	0	0	0	0	0
b	Clearings to Plant		0	0	0	0	0	0	0	0	0	0	0	0	0
c	Retirements		0	0	0	0	0	0	0	0	0	0	0	0	0
d	Cost of Removal		0	0	0	0	0	0	0	0	0	0	0	0	0
e	Salvage		0	0	0	0	0	0	0	0	0	0	0	0	0
2	Plant-in-Service/Depreciation Base	106,497	106,497	106,497	106,497	106,497	106,497	106,497	106,497	106,497	106,497	106,497	106,497	106,497	106,497
3	Less: Accumulated Depreciation (B)	(10,474)	(10,767)	(11,060)	(11,353)	(11,646)	(11,939)	(12,232)	(12,525)	(12,818)	(13,111)	(13,404)	(13,697)	(13,990)	
4	CWIP - Non Interest Bearing	0	0	0	0	0	0	0	0	0	0	0	0	0	0
5	Net Investment (Lines 2 - 3 + 4)	96,023	95,730	95,437	95,144	94,851	94,558	94,265	93,972	93,679	93,386	93,093	92,800	92,507	
6	Average Net Investment		95,877	95,584	95,291	94,998	94,705	94,412	94,119	93,826	93,533	93,240	92,947	92,654	
7	Return on Average Net Investment														
a	Equity Component Grossed Up For Taxes (C)		704	702	700	698	696	694	691	689	687	685	683	681	8,310
b	Debt Component (Line 6 x 2.5042% x 1/12)		200	199	199	198	198	197	196	196	195	195	194	193	2,360
8	Investment Expenses														
a	Depreciation		293	293	293	293	293	293	293	293	293	293	293	293	3,516
b	Amortization		0	0	0	0	0	0	0	0	0	0	0	0	0
c	Dismantlement		0	0	0	0	0	0	0	0	0	0	0	0	0
d	Property Taxes		0	0	0	0	0	0	0	0	0	0	0	0	0
e	Other (D)		0	0	0	0	0	0	0	0	0	0	0	0	0
9	Total System Recoverable Expenses (Lines 7 + 8)		1,197	1,194	1,192	1,189	1,187	1,184	1,180	1,178	1,175	1,173	1,170	1,167	14,186
a	Recoverable Costs Allocated to Energy		1,197	1,194	1,192	1,189	1,187	1,184	1,180	1,178	1,175	1,173	1,170	1,167	14,186
b	Recoverable Costs Allocated to Demand		0	0	0	0	0	0	0	0	0	0	0	0	0
10	Energy Jurisdictional Factor		0.9653118	0.9648027	0.9664913	0.9650414	0.9672250	0.9675573	0.9657652	0.9674366	0.9664330	0.9655726	0.9648561	0.9656763	
11	Demand Jurisdictional Factor		0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	
12	Retail Energy-Related Recoverable Costs (E)		1,156	1,153	1,153	1,148	1,149	1,146	1,140	1,140	1,136	1,133	1,130	1,128	13,712
13	Retail Demand-Related Recoverable Costs (F)		0	0	0	0	0	0	0	0	0	0	0	0	0
14	Total Juris. Recoverable Costs (Lines 12 + 13)		1,156	1,153	1,153	1,148	1,149	1,146	1,140	1,140	1,136	1,133	1,130	1,128	13,712

Notes:

- (A) Description and reason for 'Other' adjustments to net investment for this project
- (B) Description of Adjustments to Reserve for Gross Salvage and Other Recoveries and Cost of Removal
- (C) Line 6 x 8.8168% x 1/12. Based on ROE of 12% and weighted income tax rate of 38.575%
- (D) Description and reason for 'Other' adjustments to investment expenses for this project
- (E) Line 9a x Line 10 x 1.0007 line loss multiplier
- (F) Line 9b x Line 11

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
Calculation of the Projected Period Amount
January 2003 - December 2003
Return on Capital Investments, Depreciation and Taxes
For Project: Smith Stormwater Collection System
P E. 1446
(in Dollars)

Line	Description	Beginning													End of
		of Period	January	February	March	April	May	June	July	August	September	October	November	December	Period
		Amount												Amount	
1	Investments														
a	Expenditures/Additions		0	0	0	0	0	0	0	0	0	0	0	0	
b	Clearings to Plant		0	0	0	0	0	0	0	0	0	0	0	0	
c	Retirements		0	0	0	0	0	0	0	0	0	0	0	0	
d	Cost of Removal		0	0	0	0	0	0	0	0	0	0	0	0	
e	Salvage		0	0	0	0	0	0	0	0	0	0	0	0	
2	Plant-in-Service/Depreciation Base	2,782,600	2,782,600	2,782,600	2,782,600	2,782,600	2,782,600	2,782,600	2,782,600	2,782,600	2,782,600	2,782,600	2,782,600	2,782,600	
3	Less: Accumulated Depreciation (B)	(619,962)	(627,614)	(635,266)	(642,918)	(650,570)	(658,222)	(665,874)	(673,526)	(681,178)	(688,830)	(696,482)	(704,134)	(711,786)	
4	CWIP - Non Interest Bearing	0	0	0	0	0	0	0	0	0	0	0	0	0	
5	Net Investment (Lines 2 - 3 + 4)	<u>2,162,638</u>	<u>2,154,986</u>	<u>2,147,334</u>	<u>2,139,682</u>	<u>2,132,030</u>	<u>2,124,378</u>	<u>2,116,726</u>	<u>2,109,074</u>	<u>2,101,422</u>	<u>2,093,770</u>	<u>2,086,118</u>	<u>2,078,466</u>	<u>2,070,814</u>	
6	Average Net Investment		2,158,812	2,151,160	2,143,508	2,135,856	2,128,204	2,120,552	2,112,900	2,105,248	2,097,596	2,089,944	2,082,292	2,074,640	
7	Return on Average Net Investment														
a	Equity Component Grossed Up For Taxes (C)		15,861	15,805	15,748	15,692	15,636	15,580	15,523	15,467	15,411	15,355	15,299	15,242	186,619
b	Debt Component (Line 6 x 2.5042% x 1/12)		4,505	4,489	4,474	4,458	4,442	4,426	4,410	4,394	4,378	4,362	4,346	4,330	53,014
8	Investment Expenses														
a	Depreciation		7,652	7,652	7,652	7,652	7,652	7,652	7,652	7,652	7,652	7,652	7,652	7,652	91,824
b	Amortization		0	0	0	0	0	0	0	0	0	0	0	0	
c	Dismantlemen		0	0	0	0	0	0	0	0	0	0	0	0	
d	Property Taxes		0	0	0	0	0	0	0	0	0	0	0	0	
e	Other (D)		0	0	0	0	0	0	0	0	0	0	0	0	
9	Total System Recoverable Expenses (Lines 7 + 8)		28,018	27,946	27,874	27,802	27,730	27,658	27,585	27,513	27,441	27,369	27,297	27,224	331,457
a	Recoverable Costs Allocated to Energy		2,155	2,150	2,144	2,139	2,133	2,128	2,122	2,116	2,111	2,105	2,100	2,094	25,497
b	Recoverable Costs Allocated to Demand		25,863	25,796	25,730	25,663	25,597	25,530	25,463	25,397	25,330	25,264	25,197	25,130	305,960
10	Energy Jurisdictional Factor		0.9653118	0.9648027	0.9644913	0.9640414	0.96372250	0.9634573	0.9631926	0.9629386	0.9626843	0.9624302	0.9621761	0.9619220	0.9616679
11	Demand Jurisdictional Factor		0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	0.9650187
12	Retail Energy-Related Recoverable Costs (E)		2,082	2,076	2,074	2,066	2,065	2,060	2,051	2,049	2,042	2,034	2,028	2,024	24,651
13	Retail Demand-Related Recoverable Costs (F)		24,958	24,894	24,830	24,765	24,702	24,637	24,572	24,509	24,444	24,380	24,316	24,251	295,258
14	Total Juris Recoverable Costs (Lines 12 + 13)		<u>27,040</u>	<u>26,970</u>	<u>26,904</u>	<u>26,831</u>	<u>26,767</u>	<u>26,697</u>	<u>26,623</u>	<u>26,558</u>	<u>26,486</u>	<u>26,414</u>	<u>26,344</u>	<u>26,275</u>	<u>319,909</u>

Notes:

- (A) Description and reason for 'Other' adjustments to net Investment for this project
- (B) Description of Adjustments to Reserve for Gross Salvage and Other Recoveries and Cost of Removal
- (C) Line 6 x 8.8168% x 1/12. Based on ROE of 12% and weighted income tax rate of 38.575%
- (D) Description and reason for 'Other' adjustments to investment expenses for this project
- (E) Line 9a x Line 10 x 1.0007 line loss multiplier
- (F) Line 9b x Line 11

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
Calculation of the Projected Period Amount
January 2003 - December 2003
Return on Capital Investments, Depreciation and Taxes
For Project: Smith Waste Water Treatment Facility
P.E. 1466
(in Dollars)

Line	Description	Beginning													End of
		of Period	January	February	March	April	May	June	July	August	September	October	November	December	Period
		Amount												Amount	
1	Investments														
a	Expenditures/Additions		0	0	0	0	0	0	0	0	0	0	0	0	
b	Clearings to Plant		0	0	0	0	0	0	0	0	0	0	0	0	
c	Retirements		0	0	0	0	0	0	0	0	0	0	0	0	
d	Cost of Removal		0	0	0	0	0	0	0	0	0	0	0	0	
e	Salvage		0	0	0	0	0	0	0	0	0	0	0	0	
2	Plant-in-Service/Depreciation Base	175,200	175,200	175,200	175,200	175,200	175,200	175,200	175,200	175,200	175,200	175,200	175,200	175,200	
3	Less: Accumulated Depreciation (B)	(44,462)	(44,944)	(45,426)	(45,908)	(46,390)	(46,872)	(47,354)	(47,836)	(48,318)	(48,800)	(49,282)	(49,764)	(50,246)	
4	CWIP - Non Interest Bearing	0	0	0	0	0	0	0	0	0	0	0	0	0	
5	Net Investment (Lines 2 - 3 + 4)	130,738	130,256	129,774	129,292	128,810	128,328	127,846	127,364	126,882	126,400	125,918	125,436	124,954	
6	Average Net Investment		130,497	130,015	129,533	129,051	128,569	128,087	127,605	127,123	126,641	126,159	125,677	125,195	
7	Return on Average Net Investment														
a	Equity Component Grossed Up For Taxes (C)		959	955	952	948	945	941	938	934	930	927	923	920	11,272
b	Debt Component (Line 6 x 2.5042% x 1/12)		272	271	270	269	268	267	266	265	264	263	262	261	3,198
8	Investment Expenses														
a	Depreciation		482	482	482	482	482	482	482	482	482	482	482	482	5,784
b	Amortization		0	0	0	0	0	0	0	0	0	0	0	0	0
c	Dismantlement		0	0	0	0	0	0	0	0	0	0	0	0	0
d	Property Tax		0	0	0	0	0	0	0	0	0	0	0	0	0
e	Other (D)		0	0	0	0	0	0	0	0	0	0	0	0	0
9	Total System Recoverable Expenses (Lines 7 + 8)		1,713	1,708	1,704	1,699	1,695	1,690	1,686	1,681	1,676	1,672	1,667	1,663	20,254
a	Recoverable Costs Allocated to Energy		132	131	131	131	130	130	130	129	129	129	128	128	1,558
b	Recoverable Costs Allocated to Demand		1,581	1,577	1,573	1,568	1,565	1,560	1,556	1,552	1,547	1,543	1,539	1,535	18,696
10	Energy Jurisdictional Factor		0.9653118	0.9648027	0.9664913	0.9650414	0.9672250	0.9675573	0.9657652	0.9674366	0.9664330	0.9655726	0.9648561	0.9656763	
11	Demand Jurisdictional Factor		0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	
12	Retail Energy-Related Recoverable Costs (E)		128	126	127	127	126	126	126	125	125	125	124	124	1,509
13	Retail Demand-Related Recoverable Costs (F)		1,526	1,522	1,518	1,513	1,510	1,505	1,502	1,498	1,493	1,489	1,485	1,481	18,042
14	Total Juris. Recoverable Costs (Lines 12 + 13)		1,654	1,648	1,645	1,640	1,636	1,631	1,628	1,623	1,618	1,614	1,609	1,605	19,551

Notes:

- (A) Description and reason for 'Other' adjustments to net Investment for this project
- (B) Description of Adjustments to Reserve for Gross Salvage and Other Recoveries and Cost of Removal
- (C) Line 6 x 8.8168% x 1/12. Based on ROE of 12% and weighted income tax rate of 38.575%
- (D) Description and reason for 'Other' adjustments to investment expenses for this project
- (E) Line 9a x Line 10 x 1.0007 line loss multiplier
- (F) Line 9b x Line 11

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
Calculation of the Projected Period Amount
January 2003 - December 2003
Return on Capital Investments, Depreciation and Taxes
For Project: Daniel Ash Management Project
P E. 1535
(in Dollars)

Line	Description	Beginning													End of
		of Period	January	February	March	April	May	June	July	August	September	October	November	December	Period
		Amount													Amount
1	Investments														
a	Expenditures/Additions		0	0	0	0	0	0	0	0	0	0	0	0	0
b	Clearings to Plant		0	0	0	0	0	0	0	0	0	0	0	0	0
c	Retirements		0	0	0	0	0	0	0	0	0	0	0	0	0
d	Cost of Removal		0	0	0	0	0	0	0	0	0	0	0	0	0
e	Salvage		0	0	0	0	0	0	0	0	0	0	0	0	0
2	Plant-in-Service/Depreciation Base	13,242,469	13,242,469	13,242,469	13,242,469	13,242,469	13,242,469	13,242,469	13,242,469	13,242,469	13,242,469	13,242,469	13,242,469	13,242,469	13,242,469
3	Less: Accumulated Depreciation (B)	(3,329,067)	(3,369,785)	(3,410,503)	(3,451,221)	(3,491,939)	(3,532,657)	(3,573,375)	(3,614,093)	(3,654,811)	(3,695,529)	(3,736,247)	(3,776,965)	(3,817,683)	
4	CWIP - Non Interest Bearing	0	0	0	0	0	0	0	0	0	0	0	0	0	0
5	Net Investment (Lines 2 - 3 + 4)	9,913,402	9,872,684	9,831,966	9,791,248	9,750,530	9,709,812	9,669,094	9,628,376	9,587,658	9,546,940	9,506,222	9,465,504	9,424,786	
6	Average Net Investment		9,893,043	9,852,325	9,811,607	9,770,889	9,730,171	9,689,453	9,648,735	9,608,017	9,567,299	9,526,581	9,485,863	9,445,145	
7	Return on Average Net Investment														
a	Equity Component Grossed Up For Taxes (C)		72,684	72,385	72,086	71,787	71,488	71,188	70,889	70,590	70,291	69,992	69,693	69,393	852,466
b	Debt Component (Line 6 x 2.5042% x 1/12)		20,647	20,562	20,477	20,392	20,307	20,222	20,137	20,052	19,967	19,882	19,797	19,712	242,154
8	Investment Expenses														
a	Depreciation		30,895	30,895	30,895	30,895	30,895	30,895	30,895	30,895	30,895	30,895	30,895	30,895	370,740
b	Amortization		0	0	0	0	0	0	0	0	0	0	0	0	0
c	Dismantlement		9,823	9,823	9,823	9,823	9,823	9,823	9,823	9,823	9,823	9,823	9,823	9,823	117,876
d	Property Taxes		31,158	31,158	31,159	31,158	31,158	31,159	31,158	31,158	31,159	31,158	31,158	31,158	373,899
e	Other (D)		0	0	0	0	0	0	0	0	0	0	0	0	0
9	Total System Recoverable Expenses (Lines 7 + 8)		165,207	164,823	164,440	164,055	163,671	163,287	162,902	162,518	162,135	161,750	161,366	160,981	1,957,135
a	Recoverable Costs Allocated to Energy		12,708	12,679	12,649	12,620	12,590	12,561	12,531	12,501	12,472	12,442	12,413	12,383	150,549
b	Recoverable Costs Allocated to Demand		152,499	152,144	151,791	151,435	151,081	150,726	150,371	150,017	149,663	149,308	148,953	148,598	1,806,586
10	Energy Jurisdictional Factor		0.9653118	0.9648027	0.9664913	0.9650414	0.9672250	0.9675573	0.9657652	0.9674366	0.9664330	0.9655726	0.9648561	0.9656763	
11	Demand Jurisdictional Factor		0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	
12	Retail Energy-Related Recoverable Costs (E)		12,276	12,241	12,234	12,187	12,186	12,162	12,110	12,102	12,062	12,022	11,985	11,966	145,533
13	Retail Demand-Related Recoverable Costs (F)		147,164	146,822	146,481	146,138	145,796	145,453	145,111	144,769	144,428	144,085	143,742	143,400	1,743,389
14	Total Juris. Recoverable Costs (Lines 12 + 13)		159,440	159,063	158,715	158,325	157,982	157,615	157,221	156,871	156,490	156,107	155,727	155,366	1,888,922

Notes:

- (A) Description and reason for 'Other' adjustments to net investment for this project
- (B) Description of Adjustments to Reserve for Gross Salvage and Other Recoveries and Cost of Removal
- (C) Line 6 x 8 8168% x 1/12. Based on ROE of 12% and weighted income tax rate of 38.575%
- (D) Description and reason for 'Other' adjustments to investment expenses for this project
- (E) Line 9a x Line 10 x 1.0007 line loss multiplier
- (F) Line 9b x Line 11

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
Calculation of the Projected Period Amount
January 2003 - December 2003
Return on Capital Investments, Depreciation and Taxes
For Project: Consumptive Use-Shield Water Substitution Project
P E 1620
(in Dollars)

Line	Description	Beginning													End of
		of Period	January	February	March	April	May	June	July	August	September	October	November	December	Period
		Amount													Amount
1	Investments														
a	Expenditures/Additions		0	0	0	0	0	0	0	0	0	0	0	0	0
b	Clearings to Plant		0	0	0	0	0	0	0	0	0	0	0	0	0
c	Retirements		0	0	0	0	0	0	0	0	0	0	0	0	0
d	Cost of Removal		0	0	0	0	0	0	0	0	0	0	0	0	0
e	Salvage		0	0	0	0	0	0	0	0	0	0	0	0	0
2	Plant-in-Service/Depreciation Base	47,906	47,906	47,906	47,906	47,906	47,906	47,906	47,906	47,906	47,906	47,906	47,906	47,906	47,906
3	Less Accumulated Depreciation (B)	(1,779)	(1,911)	(2,043)	(2,175)	(2,307)	(2,439)	(2,571)	(2,703)	(2,835)	(2,967)	(3,099)	(3,231)	(3,363)	
4	CWIP - Non Interest Bearing	0	0	0	0	0	0	0	0	0	0	0	0	0	0
5	Net Investment (Lines 2 - 3 + 4)	46,127	45,995	45,863	45,731	45,599	45,467	45,335	45,203	45,071	44,939	44,807	44,675	44,543	
6	Average Net Investment		46,061	45,929	45,797	45,665	45,533	45,401	45,269	45,137	45,005	44,873	44,741	44,609	
7	Return on Average Net Investment														
a	Equity Component Grossed Up For Taxes (C)		338	337	336	336	335	334	333	332	331	330	329	328	3,999
b	Debt Component (Line 6 x 2.5042% x 1/12)		96	96	96	95	95	95	94	94	94	94	93	93	1,135
8	Investment Expenses														
a	Depreciation		132	132	132	132	132	132	132	132	132	132	132	132	1,584
b	Amortization		0	0	0	0	0	0	0	0	0	0	0	0	0
c	Dismantlement		0	0	0	0	0	0	0	0	0	0	0	0	0
d	Property Taxes		0	0	0	0	0	0	0	0	0	0	0	0	0
e	Other (D)		0	0	0	0	0	0	0	0	0	0	0	0	0
9	Total System Recoverable Expenses (Lines 7 + 8)		566	565	564	563	562	561	559	558	557	556	554	553	6,718
a	Recoverable Costs Allocated to Energy		44	43	43	43	43	43	43	43	43	43	43	43	517
b	Recoverable Costs Allocated to Demand		522	522	521	520	519	518	516	515	514	513	511	510	6,201
10	Energy Jurisdictional Factor		0.9653118	0.9648027	0.9664913	0.9650414	0.9672250	0.9675573	0.9657652	0.9674366	0.9664330	0.9655726	0.9648561	0.9656763	
11	Demand Jurisdictional Factor		0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	
12	Retail Energy-Related Recoverable Costs (E)		43	42	42	42	42	42	42	42	42	42	42	42	505
13	Retail Demand-Related Recoverable Costs (F)		504	504	503	502	501	500	498	497	496	495	493	492	5,985
14	Total Juris. Recoverable Costs (Lines 12 + 13)		547	546	545	544	543	542	540	539	538	537	535	534	6,490

Notes:

- (A) Description and reason for 'Other' adjustments to net Investment for this project
- (B) Description of Adjustments to Reserve for Gross Salvage and Other Recoveries and Cost of Removal
- (C) Line 6 x 8.8168% x 1/12 Based on ROE of 12% and weighted income tax rate of 38.575%
- (D) Description and reason for 'Other' adjustments to investment expenses for this project
- (E) Line 9a x Line 10 x 1.0007 line loss multiplier
- (F) Line 9b x Line 11

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Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
Calculation of the Projected Period Amount
January 2003 - December 2003
Return on Capital Investments, Depreciation and Taxes
For Project: Underground Fuel Tank Replacement
P.E. 4397
(in Dollars)

Line	Description	Beginning													End of
		of Period	January	February	March	April	May	June	July	August	September	October	November	December	Period
		Amount													Amount
1	Investments														
a	Expenditures/Additions		0	0	0	0	0	0	0	0	0	0	0	0	0
b	Clearings to Plant		0	0	0	0	0	0	0	0	0	0	0	0	0
c	Retirements		0	0	0	0	0	0	0	0	0	0	0	0	0
d	Cost of Removal		0	0	0	0	0	0	0	0	0	0	0	0	0
e	Salvage		0	0	0	0	0	0	0	0	0	0	0	0	0
2	Plant-in-Service/Depreciation Base	457,919	457,919	457,919	457,919	457,919	457,919	457,919	457,919	457,919	457,919	457,919	457,919	457,919	457,919
3	Less Accumulated Depreciation (B)	(339,828)	(344,749)	(349,669)	(354,590)	(359,510)	(364,431)	(369,351)	(374,272)	(379,192)	(384,113)	(389,033)	(393,954)	(398,874)	
4	CWIP - Non Interest Bearing	0	0	0	0	0	0	0	0	0	0	0	0	0	0
5	Net Investment (Lines 2 - 3 + 4)	118,091	113,170	108,250	103,329	98,409	93,488	88,568	83,647	78,727	73,806	68,886	63,965	59,045	
6	Average Net Investment		115,631	110,710	105,790	100,869	95,949	91,028	86,108	81,187	76,267	71,346	66,426	61,505	
7	Return on Average Net Investment														
a	Equity Component Grossed Up For Taxes (C)		850	813	777	741	705	669	633	596	560	524	488	452	7,808
b	Debt Component (Line 6 x 2.5042% x 1/12)		241	231	221	211	200	190	180	169	159	149	139	128	2,218
8	Investment Expenses														
a	Depreciation		0	0	0	0	0	0	0	0	0	0	0	0	0
b	Amortization		4,921	4,920	4,921	4,920	4,921	4,920	4,921	4,920	4,921	4,920	4,921	4,920	59,046
c	Dismantlemen		0	0	0	0	0	0	0	0	0	0	0	0	0
d	Property Taxes		0	0	0	0	0	0	0	0	0	0	0	0	0
e	Other (D)		0	0	0	0	0	0	0	0	0	0	0	0	0
9	Total System Recoverable Expenses (Lines 7 + 8)		6,012	5,964	5,919	5,872	5,826	5,779	5,734	5,685	5,640	5,593	5,548	5,500	69,072
a	Recoverable Costs Allocated to Energy		462	459	455	452	448	445	441	437	434	430	427	423	5,313
b	Recoverable Costs Allocated to Demand		5,550	5,505	5,464	5,420	5,378	5,334	5,293	5,248	5,206	5,163	5,121	5,077	63,759
10	Energy Jurisdictional Factor		0.9653118	0.9648027	0.9664913	0.9650414	0.9672250	0.9675573	0.9657652	0.9674366	0.9664330	0.9655726	0.9648561	0.9656763	
11	Demand Jurisdictional Factor		0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	
12	Retail Energy-Related Recoverable Costs (E)		446	443	440	437	434	431	426	423	420	415	412	409	5,136
13	Retail Demand-Related Recoverable Costs (F)		5,356	5,312	5,273	5,230	5,190	5,147	5,108	5,064	5,024	4,982	4,942	4,899	61,527
14	Total Juris. Recoverable Costs (Lines 12 + 13)		5,802	5,755	5,713	5,667	5,624	5,578	5,534	5,487	5,444	5,397	5,354	5,308	66,663

Notes:

- (A) Description and reason for 'Other' adjustments to net investment for this project
- (B) Description of Adjustments to Reserve for Gross Salvage and Other Recoveries and Cost of Removal
- (C) Line 6 x 8.8168% x 1/12. Based on ROE of 12% and weighted income tax rate of 38.575%
- (D) Description and reason for 'Other' adjustments to investment expenses for this project
- (E) Line 9a x Line 10 x 1.0007 line loss multiplier
- (F) Line 9b x Line 11

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
Calculation of the Projected Period Amount
January 2003 - December 2003
Return on Capital Investments, Depreciation and Taxes
For Project: SO2 Allowances

(in Dollars)

Line	Description	Beginning of Period Amount	January	February	March	April	May	June	July	August	September	October	November	December	End of Period Amount
1	Investments														
	a Purchases/Transfers		0	0	0	0	0	0	0	0	0	0	0	0	0
	b Sales/Transfers		0	0	0	0	0	0	0	0	0	0	0	0	0
	c Auction Proceeds/Other		0	0	0	0	0	0	0	0	0	0	0	0	0
2	Working Capital Balance		0	0	0	0	0	0	0	0	0	0	0	0	0
	a FERC 158.1 Allowance Inventory	33,176	32,199	31,253	30,330	29,457	28,337	26,996	25,576	24,163	22,923	21,795	20,610	19,346	
	b FERC 158.2 Allowances Withheld	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	c FERC 182.3 Other Regl. Assets - Losses	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	d FERC 254 Regulatory Liabilities - Gains	(642,745)	(637,390)	(632,036)	(626,681)	(621,327)	(615,972)	(610,618)	(605,263)	(599,909)	(594,554)	(589,199)	(583,844)	(578,489)	
3	Total Working Capital Balance	(609,569)	(605,191)	(600,783)	(596,351)	(591,870)	(587,635)	(583,622)	(579,687)	(575,746)	(571,631)	(567,404)	(563,234)	(559,143)	
4	Average Net Working Capital Balance		(607,380)	(602,987)	(598,567)	(594,111)	(589,753)	(585,629)	(581,655)	(577,717)	(573,689)	(569,518)	(565,319)	(561,189)	
5	Return on Average Net Working Capital Balance														
	a Equity Component Grossed Up For Taxes (A)		(4,462)	(4,430)	(4,398)	(4,365)	(4,333)	(4,303)	(4,273)	(4,244)	(4,215)	(4,184)	(4,153)	(4,123)	(51,483)
	b Debt Component (Line 6 x 2.5042% x 1/12)		(1,268)	(1,258)	(1,249)	(1,240)	(1,231)	(1,222)	(1,214)	(1,206)	(1,197)	(1,189)	(1,180)	(1,171)	(14,625)
6	Total Return Component (D)		(5,730)	(5,688)	(5,647)	(5,605)	(5,564)	(5,525)	(5,487)	(5,450)	(5,412)	(5,373)	(5,333)	(5,294)	(66,108)
7	Expenses:														
	a Gains		(5,355)	(5,354)	(5,355)	(5,354)	(5,355)	(5,354)	(5,355)	(5,354)	(5,355)	(5,355)	(5,355)	(5,355)	(64,256)
	b Losses		0	0	0	0	0	0	0	0	0	0	0	0	0
	c SO2 Allowance Expense		977	946	923	873	1,120	1,341	1,420	1,413	1,240	1,128	1,185	1,264	13,830
8	Net Expenses (E)		(4,378)	(4,408)	(4,432)	(4,481)	(4,235)	(4,013)	(3,935)	(3,941)	(4,115)	(4,227)	(4,170)	(4,091)	(50,426)
9	Total System Recoverable Expenses (Lines 6 + 8)		(10,108)	(10,096)	(10,079)	(10,086)	(9,799)	(9,538)	(9,422)	(9,391)	(9,527)	(9,600)	(9,503)	(9,385)	(116,534)
	a Recoverable Costs Allocated to Energy		(10,108)	(10,096)	(10,079)	(10,086)	(9,799)	(9,538)	(9,422)	(9,391)	(9,527)	(9,600)	(9,503)	(9,385)	(116,534)
	b Recoverable Costs Allocated to Demand		0	0	0	0	0	0	0	0	0	0	0	0	0
10	Energy Jurisdictional Factor		0.9653118	0.9648027	0.9664913	0.9650414	0.9672250	0.9675573	0.9657652	0.9674366	0.9664330	0.9655726	0.9648561	0.9656763	
11	Demand Jurisdictional Factor		0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	
12	Retail Energy-Related Recoverable Costs (B)		(9,764)	(9,747)	(9,748)	(9,740)	(9,484)	(9,235)	(9,106)	(9,092)	(9,214)	(9,276)	(9,175)	(9,069)	(112,650)
13	Retail Demand-Related Recoverable Costs (C)		0	0	0	0	0	0	0	0	0	0	0	0	0
14	Total Juris. Recoverable Costs (Lines 12 + 13)		(9,764)	(9,747)	(9,748)	(9,740)	(9,484)	(9,235)	(9,106)	(9,092)	(9,214)	(9,276)	(9,175)	(9,069)	(112,650)

Notes:

- (A) Line 4 x 8.8168% x 1/12 Based on ROE of 11.5% and weighted income tax rate of 38.575%
- (B) Line 9a x Line 10 x 1.0007 line loss multiplier
- (C) Line 9b x Line 11
- (D) Line 6 is reported on Schedule 6E and 7E
- (E) Line 8 is reported on Schedule 4E and 5E

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Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
January 2003-December 2003

**Description and Progress Report of
Environmental Compliance Activities and Projects**

**Title: Air Quality Assurance Testing
PE 1006, 1244**

Description:

Audit test trailer with associated support equipment to conduct Relative Accuracy Audits (RATA's) on the Continued Emission Monitoring Systems (CEM's) as required by the 1990 Clean Air Act Amendments.

Accomplishments:

All RATA's have been performed in a timely and cost-effective manner and provided assurance of CEMs performance.

Project-to-Date: \$262,554

Progress Summary: In-Service.

Projections:

The CEMs system in the RATA test trailer is being replaced during the 2002 recovery period and should be completed not later than January 2003. This replacement will provide Gulf with the accuracy and reliability needed to accurately measure SO₂, NO_x, CO₂, and opacity and further maintain compliance with Clean Air Act Amendment requirements. The existing equipment is approaching the end of their useful life, and will be retired upon replacement.

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
January 2003-December 2003

**Description and Progress Report of
Environmental Compliance Activities and Projects**

**Title: Crist 5, 6 & 7 Precipitator Projects
PE's 1119, 1216, 1243**

Description:

These projects are necessary to improve particulate removal capabilities as a result of burning low sulfur coal. The larger precipitators and increased collection areas improve particulate collection efficiency.

Accomplishments:

No visible emission violations have occurred since installation and opacity has been substantially reduced. The precipitators have functioned successfully in burning low sulfur coal.

Project-to-Date: \$24,440,825

Progress Summary: In-Service.

Projections: N/A

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
January 2003-December 2003

**Description and Progress Report of
Environmental Compliance Activities and Projects**

**Title: Crist 7 Flue Gas Conditioning
PE 1228**

Description:

Injection of sulfur trioxide into the flue gas to improve particulate removal and improve the collection characteristics of fly ash.

Accomplishments:

System has proven effective in enhanced particulate removal in precipitators.

Project-to-Date: \$2,179,245

Progress Summary: In-Service.

Projections: N/A

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
January 2003-December 2003

**Description and Progress Report of
Environmental Compliance Activities and Projects**

Title: Low NOx Burners, Crist 6 & 7
PE's 1234,1236, 1242

Description:

These are unique burners installed to decrease the quantities of NOx which are formed in the combustion process. This equipment is a requirement of the 1990 Clean Air Act Amendments.

Accomplishments:

System has proven effective in reducing NOx emissions.

Project-to-Date: \$16,296,359

Progress Summary: In-Service.

Projections: N/A

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
January 2003-December 2003

**Description and Progress Report of
Environmental Compliance Activities and Projects**

Title: CEMs - Crist , Scholz , Smith, and Daniel
PE's 1154, 1164, 1240, 1245, 1286, 1289, 1290, 1311,1316,1323, 1324, 1325,
1440, 1441, 1442, 1454, 1459, 1460, 1558

Description:

This equipment is dilution extraction continuous emission monitors that measure concentrations of sulfur dioxide (SO₂) and nitrogen oxides (NO_x) in the flue gas. Additionally, opacity and flow monitors were also installed. All monitors were installed pursuant to the 1990 Clean Air Act Amendments.

Accomplishments:

The systems at both Gulf and Mississippi Power have successfully exceeded all quality assurance/quality control (QA/QC) audits as required by the 1990 Clean Air Act Amendments.

Project-to-Date: \$4,383,778

Progress Summary:

Crist 4 and 5 CEMS equipment replacements (gas analyzers, opacity monitors, and common CEMS equipment), Crist 7 and Scholz 1 & 2 CEMS analyzer replacements, and Smith 1 gas analyzers and opacity monitor replacements have been completed. The replacement of gas analyzers at Plant Crist on Unit 6 and at Plant Smith on Unit 2 will occur during the remainder of 2002. The opacity monitors on Crist 6 and Crist 7 will also be replaced during 2002.

Projections:

Changes to the CEMs project during this projection period will include the replacement of gas analyzers on Plant Crist Units 1, 2, & 3 and the replacement of CEMs flow monitors on Plant Scholz Units 1 & 2 (PE 1324 and PE 1325). The gas analyzers and flow monitors are necessary in order to provide Gulf with the accuracy and reliability needed to accurately measure SO₂, NO_x, CO₂, Opacity, and Flow and further maintain compliance with CAAA requirements. Capital expenditures for this project are expected to be \$360,000 in 2003. All of the existing analyzers are approaching the end of their useful life, and will be retired upon replacement.

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
January 2003-December 2003

**Description and Progress Report of
Environmental Compliance Activities and Projects**

**Title: Substation Contamination Mobile Groundwater Treatment System
PE's 1007, 3400, 3412**

Description:

This capital investment was the result of Gulf's decision to purchase a previously leased treatment system, which proved effective in contaminated groundwater treatment. The direct purchase of this system resulted in a reduction in long-term project expenditures.

Accomplishments:

System has proven effective in groundwater remediation at reduced costs.

Project-to-Date: \$929,394

Progress Summary: In-Service.

Projections: N/A

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
January 2003-December 2003

**Description and Progress Report of
Environmental Compliance Activities and Projects**

**Title: Raw Water Flow Meters; Crist and Smith
PE's 1155, 1606**

Description:

This capital project is necessary for Gulf to ensure compliance with an environmental requirement that is being made part of the Consumptive Use and Individual Water Use permits issued by the Northwest Florida Water Management District (NFWFMD). This new environmental requirement imposes a condition on any permit issued by the NFWFMD that requires the installation and monitoring of in-line totaling water flow meters on all existing and future water supply wells at Gulf facilities. Gulf incurred costs related to the installation and operation of new in-line totaling water flow meters at both Plant Crist and Plant Smith for implementation of this new activity.

Accomplishments:

The raw water flow meters have been installed at both Plant Crist and Plant Lansing Smith.

Project-to-Date: \$242,943

Progress Summary: In-Service

Projections: N/A

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
January 2003-December 2003

**Description and Progress Report of
Environmental Compliance Activities and Projects**

**Title: Crist Cooling Tower Cell
PE 1232**

Description:

Pollution control device which allows condenser cooling water to be continually reinjected into the condenser. The cooling tower function limits water discharge temperatures to meet National Pollution Discharge Elimination System (NPDES) requirements.

Accomplishments:

The additional cooling tower cell has effectively enhanced temperature discharge compliance limits as required by the NPDES Permit.

Project-to-Date: \$906,659

Progress Summary: In-Service.

Projections: N/A

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
January 2003-December 2003

**Description and Progress Report of
Environmental Compliance Activities and Projects**

**Title: Crist 1-5 Dechlorination
PE 1248**

Description:

State and Federal NPDES permits require significant reductions in chlorine discharge from the plant. This equipment injects sulfur trioxide (SO₃) into the cooling water canal to chemically eliminate the residual chlorine present in discharge water.

Accomplishments:

The system has been effective in maintaining chlorine discharge limits.

Project-to-Date: \$305,323

Progress Summary: In-Service.

Projections: N/A

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
January 2003-December 2003

**Description and Progress Report of
Environmental Compliance Activities and Projects**

**Title: Crist Diesel Fuel Oil Remediation
PE 1270**

Description:

Installation of monitor wells in the vicinity of storage tank systems to determine if groundwater contamination was present. The project proposed the installation of an impervious cap to prevent potential migration of contaminants to surface or groundwaters.

Accomplishments:

This activity is anticipated to be effective once approved by the State of Florida.

Project-to-Date: \$47,955

Progress Summary: Monitor wells are in service. The cap is currently proposed to the State of Florida.

Projections: N/A

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
January 2003-December 2003

**Description and Progress Report of
Environmental Compliance Activities and Projects**

**Title: Crist Bulk Tanker Unloading Secondary Containment
PE 1271**

Description:

This project was necessary to address deficiencies identified during the August 1992 Environmental Audit of Plant Crist and to minimize the potential risk of an uncontrolled discharge of pollutants into the waters of the United States. It is also a requirement of the Federal Spill Prevention Control and Countermeasures Regulations.

Accomplishments:

Unloading secondary containment complies with regulatory requirements.

Project-to-Date: \$101,495

Progress Summary: In-Service.

Projections: N/A

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
January 2003-December 2003

**Description and Progress Report of
Environmental Compliance Activities and Projects**

**Title: Crist IWW Sampling System
PE 1275**

Description:

The 1993 revision to Plant Crist's wastewater discharge permit moved the compliance point from the end of the discharge canal to a point upstream of Thompson's Bayou. To allow for this sample point modification, a dock with access was constructed in the discharge canal. The work includes a small building for the needed monitoring and sampling equipment.

Accomplishments:

Dock is complete and sampling events are collected at the required compliance point.

Project-to-Date: \$59,543

Progress Summary: In-Service.

Projections: N/A

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
January 2003-December 2003

**Description and Progress Report of
Environmental Compliance Activities and Projects**

**Title: Smith Sodium Injection System
PE 1413**

Description:

A silo storage tank system and components that injects sodium bicarbonate directly onto the coal feeder belt to enhance precipitator performance when low sulfur coal is used at Plant Smith. The injection of sodium bicarbonate as an additive to low sulfur coal reduces opacity levels to maintain compliance with Clean Air Act provisions.

Accomplishments:

The silo storage tank and components have been installed. The system is fully operational.

Project-to-Date: \$106,497

Progress Summary: In Service.

Projections: N/A

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
January 2003-December 2003

**Description and Progress Report of
Environmental Compliance Activities and Projects**

**Title: Smith Stormwater Collection System
PE 1446**

Description:

The National Pollution Discharge Elimination System (NPDES) requires that industrial facilities install stormwater management systems in order to prevent the unpermitted discharge of contaminated stormwater runoff to the surface waters of the United States.

Accomplishments:

No unpermitted discharges have occurred since system installation.

Project-to-Date: \$2,782,600

Progress Summary: In-Service.

Projections: N/A

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
January 2003-December 2003

**Description and Progress Report of
Environmental Compliance Activities and Projects**

**Title: Smith Waste Water Treatment Facility
PE 1466**

Description:

The system replaced the existing septic tank system installed in the early 1960's. The system was designed to provide secondary treatment of raw sewage and domestic waste from the plant proper. The treatment includes aeration, chlorination, and dechlorination of the wastewater prior to discharging into a drain field. This project assures compliance with our industrial waste water permits requirements.

Accomplishments: Compliance maintained.

Project-to-Date: \$175,200

Progress Summary: In-Service.

Projections: N/A

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
January 2003-December 2003

**Description and Progress Report of
Environmental Compliance Activities and Projects**

**Title: Daniel Ash Management Project
PE 1535**

Description:

Provide for a dry ash transport system, lining of the existing bottom ash pond, capping the existing flyash pond and constructing a dry ash storage cell. This project is required to comply with existing groundwater quality standards.

Accomplishments: No reportable exceedances have occurred since system installation.

Project-to-Date: \$13,242,469

Progress Summary: In-Service.

Projections: N/A

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
January 2003-December 2003

**Description and Progress Report of
Environmental Compliance Activities and Projects**

**Title: Consumptive Use - Shield Water Substitution Project
PE 1620**

Description:

This project is a water conservation and consumptive use efficiency program to reduce the demand for groundwater and the potential for saltwater intrusion. Phase I of the project consists of adding pumps, piping, valves and controls at Plant Smith to reclaim water from the ash pond. This requirement is a specific condition of Gulf's individual water use permit for Plant Smith as issued by the Northwest Florida Water Management District, calling for a 25% reduction in the use of groundwater by the end of 2004.

Accomplishments:

Project-to-Date: \$47,906

Progress Summary: In-Service.

Projections: N/A

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
January 2003-December 2003

**Description and Progress Report of
Environmental Compliance Activities and Projects**

**Title: Underground Fuel Tank Replacement
PE 4397**

Description:

To provide for the replacement of all of Gulf's underground tanks with new above-ground tanks. The environmental laws regarding underground tanks are more stringent in regard to monitoring requirements. The risk of potential discharges of petroleum products which could result in groundwater contamination and subsequent remediation are significantly reduced with the installation of above ground systems.

Accomplishments:

All underground tanks have been replaced with above ground tank systems.

Project-to-Date: \$457,919

Progress Summary: In-Service.

Projections: N/A

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
January 2003-December 2003

**Description and Progress Report of
Environmental Compliance Activities and Projects
O & M Line Item 1.1**

Title: Sulfur/Ammonia

Description:

The Crist Unit 7 sulfur trioxide (SO₃) flue gas system allows the injection of SO₃ into the flue gas stream. The addition of sulfur trioxide to the flue gas improves the collection efficiency of the precipitator when burning a low sulfur coal. Ammonia agglomerates the particles, which in turn enhances the collection efficiency of the precipitator.

Accomplishments:

The flue gas injection system has improved the efficiency of the Crist Unit 7 precipitator allowing the unit to burn low sulfur coal in compliance with the Clean Air Act Amendments of 1990. The need for sulfur injection varies based on the sulfur content of the available coal supply at Plant Crist, and is used when necessary to meet the sulfur dioxide emission requirements of the Clean Air Act Amendments (CAAA).

Fiscal Expenditures: N/A

Progress Summary: See Accomplishments.

Projections: \$30,000

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
January 2003-December 2003

**Description and Progress Report of
Environmental Compliance Activities and Projects
O & M Line Item 1.2**

Title: Air Emission Fees

Description:

These expenses are the annual fees required by the Florida Department of Environmental Protection (FDEP) under Title IV of the Clean Air Act Amendments of 1990.

Accomplishments:

Fees have been paid by due dates.

Fiscal Expenditures: N/A

Progress Summary: See Accomplishments.

Projections: \$759,817

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
January 2003-December 2003

**Description and Progress Report of
Environmental Compliance Activities and Projects
O & M Line Item 1.3**

Title: Title V

Description:

These are expenses associated with the preparation of the Clean Air Act Amendments Title V permit applications and the subsequent implementation of Title V permits.

Accomplishments:

Title V permits for Plants Crist, Smith, and Scholz were issued by FDEP in 1999. The Title V permit for the Pea Ridge Generating Facility was issued in July, 2000.

Fiscal Expenditures: N/A

Progress Summary: See Accomplishments.

Projections: \$76,810

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
January 2003-December 2003

**Description and Progress Report of
Environmental Compliance Activities and Projects
O & M Line Item 1.4**

Title: Asbestos Fees

Description:

These are both annual and individual project fees due to the Florida Department of Environmental Protection (FDEP) for asbestos abatement projects. These expenses are also associated with required annual state asbestos fees.

Accomplishments:

Fees paid as required and on a timely basis.

Fiscal Expenditures: N/A

Progress Summary: See Accomplishments.

Projections: \$4,500

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
January 2003-December 2003

**Description and Progress Report of
Environmental Compliance Activities and Projects
O & M Line Item 1.5**

Title: Emission Monitoring

Description:

This program provides quality assurance/quality control testing for CEMs, including Relative Accuracy Test Audits and Linearity Tests as required by the Clean Air Act Amendments of 1990.

Accomplishments:

All systems are in compliance.

Fiscal Expenditures: N/A

Progress Summary: See Accomplishments

Projections:

\$577,779 is expected to be spent on Emission Monitoring during this recovery period. New activities within this category include the testing, development, and implementation of new Periodic Monitoring and Compliance Assurance Monitoring (CAM) associated with the Clean Air Act Amendments of 1990.

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
January 2003-December 2003

**Description and Progress Report of
Environmental Compliance Activities and Projects
O & M Line Item 1.6**

Title: General Water Quality

Description:

These are ongoing activities undertaken pursuant to the Company's NPDES permit, soil contamination studies and also include surface and groundwater monitoring studies.

Accomplishments:

All activities are on-going and comply with all applicable environmental laws, rules, and regulations. For the ECRC approved Plant Smith CT Soil Contamination Studies, Gulf was successful in convincing FDEP that air treatment for the designed remediation system was unnecessary; air treatment and related air equipment installation, operation and maintenance can significantly increase costs of such systems. Through successful operations of the remedial system at Plant Smith, Gulf significantly reduced expenses for this project.

Fiscal Expenditures: N/A

Progress Summary: See Accomplishments

Projections: \$379,118

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
January 2003-December 2003

**Description and Progress Report of
Environmental Compliance Activities and Projects
O & M Line Item 1.7**

Title: Groundwater Contamination Investigation

Description:

This project includes sampling and testing to determine possible environmental impacts to groundwater from past herbicide applications at various substation sites. Once possible environmental impacts to groundwater have been identified then cleanup operations are initiated.

Accomplishments:

The Florida Department of Environmental Protection has issued a No Further Action (NFA) letter for 26 sites.

Fiscal Expenditures: N/A

Progress Summary: See Accomplishments

Projections: \$394,797

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
January 2003-December 2003

**Description and Progress Report of
Environmental Compliance Activities and Projects
O & M Line Item 1.8**

Title: State NPDES Administration

Description:

This is the fee that is required by the State of Florida's National Pollution Discharge Elimination System (NPDES) program administration. These annual fees are required for the renewal of NPDES permits at Plants Crist, Smith and Scholz.

Accomplishments:

Compliance with fee due dates.

Fiscal Expenditures: N/A

Progress Summary: See Accomplishments.

Projections: \$49,500

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
January 2003-December 2003

**Description and Progress Report of
Environmental Compliance Activities and Projects
O & M Line Item 1.9**

Title: Lead & Copper Rule

Description:

These are sampling and analytical costs for lead and copper in drinking water as required by the Florida Department of Environmental Protection (FDEP) regulations.

Accomplishments:

All sampling and analytical protocols are current.

Fiscal Expenditures: N/A

Progress Summary: See Accomplishments.

Projections: \$16,500

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
January 2003-December 2003

**Description and Progress Report of
Environmental Compliance Activities and Projects
O & M Line Item 1.10**

Title: Environmental Auditing/Assessment

Description:

This program ensures continued compliance with environmental laws, rules, and regulations through auditing and/or assessment of company facilities and operations.

Accomplishments:

Audits and assessments accomplished to date have demonstrated compliance with environmental laws, rules, and regulations.

Fiscal Expenditures: N/A

Progress Summary: See Accomplishments.

Projections: \$1,000

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
January 2003-December 2003

**Description and Progress Report of
Environmental Compliance Activities and Projects
O & M Line Item 1.11**

Title: General Solid and Hazardous Waste

Description:

This program provides for the proper identification, handling, storage, transportation and disposal of solid and hazardous wastes.

Accomplishments:

Gulf has complied with all hazardous and solid wastes regulations.

Fiscal Expenditures: N/A

Progress Summary: See Accomplishments.

Projections: \$190,208

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
January 2003-December 2003

**Description and Progress Report of
Environmental Compliance Activities and Projects
O & M Line Item 1.12**

**Title: Above Ground Storage Tank Integrity and Secondary Containment
Upgrades**

Description:

This project is required under the provisions of Chapter 62-762 F.A.C. and includes specific performance standards applicable to existing field-erected storage tank systems. These performance standards include installation of secondary containment, cathodic protection and tank integrity inspections.

Accomplishments:

Gulf has complied with all petroleum storage tank requirements.

Fiscal Expenditures: N/A

Progress Summary: See Accomplishments.

Projections: \$25,000

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
January 2003-December 2003

**Description and Progress Report of
Environmental Compliance Activities and Projects
O & M Line Item 1.13**

Title: Low NOx

Description:

This activity refers to the maintenance expenses associated with the Low NOx burner tips on Crist Units 4 & 5 and Smith Unit 1.

Accomplishments:

Burner tips on Plant Crist Units 4 & 5 and Plant Smith Unit 1 are installed and in-service.

Fiscal Expenditures: N/A

Progress Summary: See Accomplishments.

Projections: N/A

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
January 2003-December 2003

**Description and Progress Report of
Environmental Compliance Activities and Projects
O & M Line Item 1.14**

Title: Crist 4-7 Ash Pond Diversion Curtains

Description:

This project refers to the installation of additional flow diversion curtains at the Plant Crist ash pond to effectively increase water retention time in the ash pond, thereby allowing for the sedimentation/precipitation treatment process to be more effective in reducing levels of suspended particulate from the outfall at the Plant Crist ash pond.

Accomplishments:

The diversion curtains have been installed.

Fiscal Expenditures: N/A

Progress Summary: See Accomplishments.

Projections: N/A

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
January 2003-December 2003

**Description and Progress Report of
Environmental Compliance Activities and Projects
O & M Line Item 1.15**

Title: Mercury Emissions

Description:

This project refers to EPA requirements to analyze coal shipments for mercury and chlorine content.

Accomplishments:

Coal shipments are being analyzed as required.

Fiscal Expenditures: N/A

Progress Summary:

Sampling and analytical requirements are not expected in 2003.

Projections: N/A

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
January 2003-December 2003

**Description and Progress Report of
Environmental Compliance Activities and Projects
O & M Line Item 1.16**

Title: Sodium Injection

Description:

This project refers to the installation of a sodium injection system at Plant Smith. The activity involves sodium injection to the coal supply at Plant Smith to enhance precipitator efficiencies when burning low sulfur coal.

Accomplishments:

Sodium bicarbonate is used at Plant Smith when low sulfur coal is burned.

Fiscal Expenditures: N/A

Progress Summary: See Accomplishments.

Projections: \$49,000

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
January 2003-December 2003

**Description and Progress Report of
Environmental Compliance Activities and Projects
O & M Line Item 1.17**

Title: Gulf Coast Ozone Study (GCOS)

Description:

Escambia and Santa Rosa counties are identified as potential ozone non-attainment areas due to the new eight-hour ambient air quality standards adopted by the U.S. Environmental Protection Agency (EPA) in accordance with Title I of the Clean Air Act Amendments of 1990. This project refers to Gulf's participation in the Gulf Coast Ozone Study (GCOS) which is a joint modeling analysis between Gulf Power and the State of Florida to provide an improved basis for assessment of eight-hour ozone air quality for Northwest Florida.

Accomplishments:

Fiscal Expenditures: N/A

Progress Summary:

The expected completion date for the GCOS project has been extended due to a delay in the final rule development by EPA. The goal of the project is to develop strategies for ozone ambient air attainment to supplement Florida's SIP submission to EPA for Escambia and Santa Rosa counties.

Projections: \$235,000

Gulf Power Company
 Environmental Cost Recovery Clause (ECRC)
Calculation of the Energy & Demand Allocation % By Rate Class
 January 2003 - December 2003

Rate Class	(1) Average 12 CP Load Factor at Meter (%)	(2) Jan - Dec. 2003 Projected Sales at Meter (KWH)	(3) Projected Avg 12 CP at Meter (KW)	(4) Demand Loss Expansion Factor	(5) Energy Loss Expansion Factor	(6) Projected Sales at Generation (KWH)	(7) Projected Avg 12 CP at Generation (KW)	(8) Percentage of KWH Sales at Generation (%)	(9) Percentage of 12 CP Demand at Generation (%)
RS, RSVP	59.521838%	4,783,079,000	917,333.21	1.00486476	1.00530097	4,808,433,958	921,795.82	46.51633%	54.66836%
GS, GST, GSTOU	61.623894%	285,459,000	52,879.88	1.00485887	1.00529775	286,971,290	53,136.82	2.77613%	3.15135%
GSD, GSDT	74.923957%	2,267,672,000	345,505.87	1.00470565	1.00516604	2,279,386,884	347,131.70	22.05057%	20.58712%
LP, LPT	86.403429%	1,925,800,000	254,434.56	0.98422595	0.98911989	1,904,847,084	250,421.10	18.42731%	14.85156%
PX, PXT, RTP, SBS	99.499138%	943,427,000	108,239.28	0.97443817	0.98057253	925,098,600	105,472.49	8.94931%	6.25519%
OS-I/II	247.068649%	97,528,000	4,506.17	1.00468934	1.00529485	98,044,396	4,527.30	0.94847%	0.26850%
OS-III	98.528325%	29,876,000	3,461.44	1.00511513	1.00526827	30,033,395	3,479.15	0.29054%	0.20634%
OS-IV	248.927520%	4,250,000	194.90	1.00240521	1.00541301	4,273,005	195.37	0.04134%	0.01159%
TOTAL		<u>10,337,091,000</u>	<u>1,686,555.31</u>			<u>10,337,088,612</u>	<u>1,686,159.75</u>	<u>100.00000%</u>	<u>100.00001%</u>

Notes:

- (1) Average 12 CP load factor based on actual 2001 load research data
- (2) Projected KWH sales for the period January 2003 - December 2003
- (3) Calculated: Col 2 / (8,760 x Col 1), (8,760 hours = the # of hours in 1 year)
- (4) Based on demand losses identified in Doc. 010949-EI
- (5) Based on energy losses identified in Doc. 010949-EI
- (6) Col 2 x Col 4
- (7) Col 3 x Col 4
- (8) Col 6 / total for Col 6
- (9) Col 7 / total for Col 7

Schedule 7P

Gulf Power Company
 Environmental Cost Recovery Clause (ECRC)
Calculation of the Energy & Demand Allocation % By Rate Class
January 2003 - December 2003

Rate Class	(1) Percentage of KWH Sales at Generation (%)	(2) Percentage of 12 CP Demand at Generation (%)	(3) Energy- Related Costs	(4) Demand- Related Costs	(5) Total Environmental Costs	(6) Projected Sales at Meter (KWH)	(7) Environmental Cost Recovery Factors (¢/KWH)
RS, RSVP	46.51633%	54.66836%	3,265,454	1,758,876	5,024,330	4,783,079,000	0.105
GS, GST	2.77613%	3.15135%	194,885	101,390	296,275	285,459,000	0.104
GSD, GSDT	22.05057%	20.58712%	1,547,954	662,361	2,210,315	2,267,672,000	0.097
LP, LPT	18.42731%	14.85156%	1,293,600	477,828	1,771,428	1,925,800,000	0.092
PX, PXT, RTP, S3S	8.94931%	6.25519%	628,243	201,252	829,495	943,427,000	0.088
OS-I, OS-II	0.94847%	0.26850%	66,583	8,639	75,222	97,528,000	0.077
OS-III	0.29054%	0.20634%	20,396	6,639	27,035	29,876,000	0.090
OS-IV	0.04134%	0.01159%	2,902	373	3,275	4,250,000	0.077
TOTAL	<u>100.00000%</u>	<u>100.00000%</u>	<u>\$7,020,017</u>	<u>\$3,217,358</u>	<u>\$10,237,375</u>	<u>10,337,091,000</u>	<u>0.099</u>

Notes:

- (1) From Schedule 6P, Col 8
- (2) From Schedule 6P, Col 9
- (3) Col 1 x Total Energy \$ from Schedule 1P, line 5
- (4) Col 2 x Total Demand \$ from Schedule 1P, line 5
- (5) Col 3 + Col 4
- (6) Projected KWH sales for the period January 2003 - December 2003
- (7) Col 5 / Col 6 x 100